

February *NATION'S* 1945

BUSINESS



★ HOW BROKE IS
GREAT BRITAIN?

★ CONGRESS STUDIES
SELF-IMPROVEMENT

★ BANKERS AND FARMERS
GET TOGETHER

Charles
De Feo

"Your America"



KANSAS

The rippling wheat fields of Kansas, its sunlit plains and hillsides, its lakes and rivers, form a pleasant pattern of peace and contentment that adds to the pictorial beauty of *Your America*.

The state's normal yield of wheat is one-fourth of the nation's total production. Large herds of cattle graze on the countryside. Oil and gas wells, rich mineral deposits, are among the many natural resources.

Union Pacific rails unite Kansas with the East and the Pacific Coast. Over its "strategic middle route" it transports the state's products—products that contribute to the nation's welfare in war and in peace.

Kansas, today, offers ample opportunity for industrial enterprise as well as for agricultural development. It provides an open gateway for Americans willing to work for whatever they wish out of life.

Kansas and Union Pacific are striving together for victory—striving to uphold the splendid American tradition of giving everyone an equal chance to plan and work for success and future security.

● Listen to "YOUR AMERICA"
—Mutual network—every Sunday
afternoon, 4 pm, E. W. T.

THE PROGRESSIVE
UNION PACIFIC
RAILROAD



In war or peace
B.F. Goodrich
FIRST IN RUBBER



The tire with the built-in rock absorber

A typical example of B. F. Goodrich development in rubber

TRUCKS like this one move and dump ten and twelve-ton loads as easily and almost as quickly as you throw a shovelful of coal in the furnace.

But when one of these big tires hits a rock, it's a piledriver blow, a sharp impact with tons behind it. And rocks just can't be avoided in off-the-road service. Big four and five-foot tires are costly (the rear tires in the picture cost \$650 apiece). Often, under impact, these tires bruised, blew out. This meant expensive delays, repairs or discarding the tire.

B. F. Goodrich engineers set to work, developed a new principle of tire construction, put a "rock absorber" under the tread to provide greater protection against bruising and blow-outs. Between the tread and the plies of the tire they put four breakers, layers of rubber-coated rayon cord fabric, insulated them with cushions of special shock-resisting rubber.

Under impact the cords in these breakers stretch and return to their original position, distributing the force of the blow and allowing it to be absorbed by the rubber between them.

Thus the shock passed on to the cord body of the tire is greatly reduced.

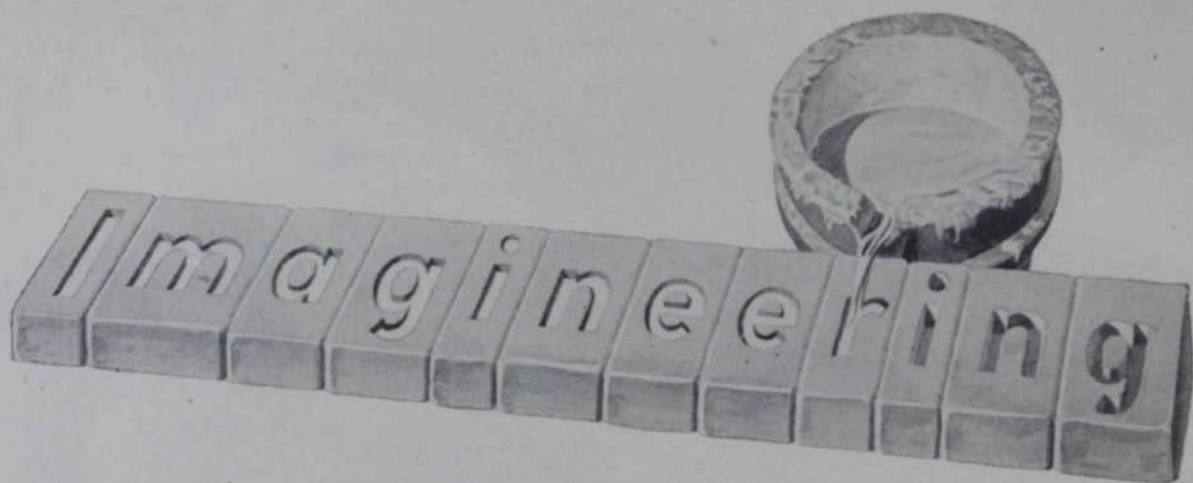
Users say their records show B. F. Goodrich tires built this way often last twice as long. Repair bills are cut. Delays reduced.

This development is typical of those going on constantly at B. F. Goodrich. Developments which improve the service of tires for trucks, buses, passenger cars, airplanes, farm tractors, farm implements and industrial equipment. The B. F. Goodrich Company, Akron, Ohio.

B. F. Goodrich
Truck & Bus Tires



COUNT THE BUSINESSES WITH THEIR ROOTS IN ALUMINUM



Just a new word for an old idea

Three years ago we at Alcoa coined a word to describe "letting your imagination soar, then engineering your ideas down to earth".

The word took hold and became a part of the language.

But "imagineering" in aluminum really started more than 50 years ago when Charles Martin Hall, the twenty-two-year-old Oberlin college lad labored in his father's woodshed and found the modern way to make aluminum.

Then a group of adventurous young men in Pittsburgh scraped together \$20,000 to build a pilot plant to use the Hall process—and that again was "imagineering".

Truly these men were *small business*. Their output was small. They worked with small customers. They helped them with ideas and methods.

These small businesses prospered. Today it's a job just to count all the businesses with their roots in aluminum.

There is still room for many more, and we are ready to help as in the past.

ALUMINUM COMPANY OF AMERICA, 2125 Gulf Building, Pittsburgh 19, Pennsylvania.

ALCOA FIRST IN ALUMINUM

Reg. U.S. Pat. Off.

ALL COMMERCIAL CAR PROGRESS WASN'T

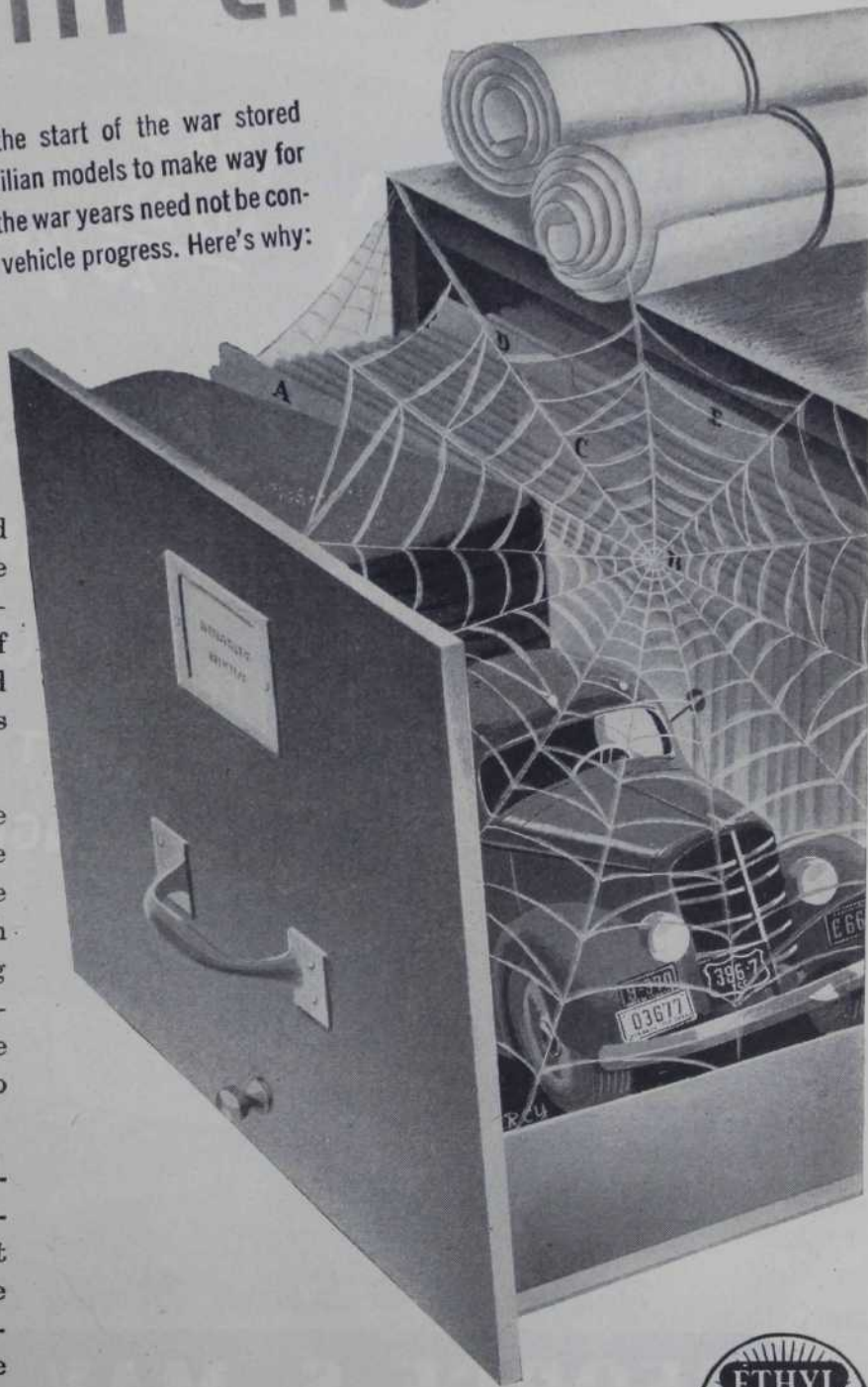
stuck in the files

Truck and bus manufacturers at the start of the war stored away designs and ideas for new civilian models to make way for production of military vehicles. But the war years need not be considered lost in terms of commercial vehicle progress. Here's why:

The engine of a motor truck or bus and the gasoline that powers it are not separate things, but are two parts of a single unit—power for motor transportation. Thus, if the antiknock value of gasoline is improved and engines can take advantage of this improvement—progress has been made.

The requirement for aviation gasoline for the war effort has necessitated the building of a tremendous capacity for the production of high octane fuels. Although at the present time this equipment is being used exclusively for the production of aviation fuel, it is readily adaptable to the production of motor fuels far superior to those marketed in the pre-war period.

Immediately after the war the petroleum industry will be able to supply gasoline of far higher quality . . . gasoline that in engines designed to utilize it will give more power, more mileage, better performance. Thus, the foundation for more efficient engines is already laid.



ETHYL CORPORATION

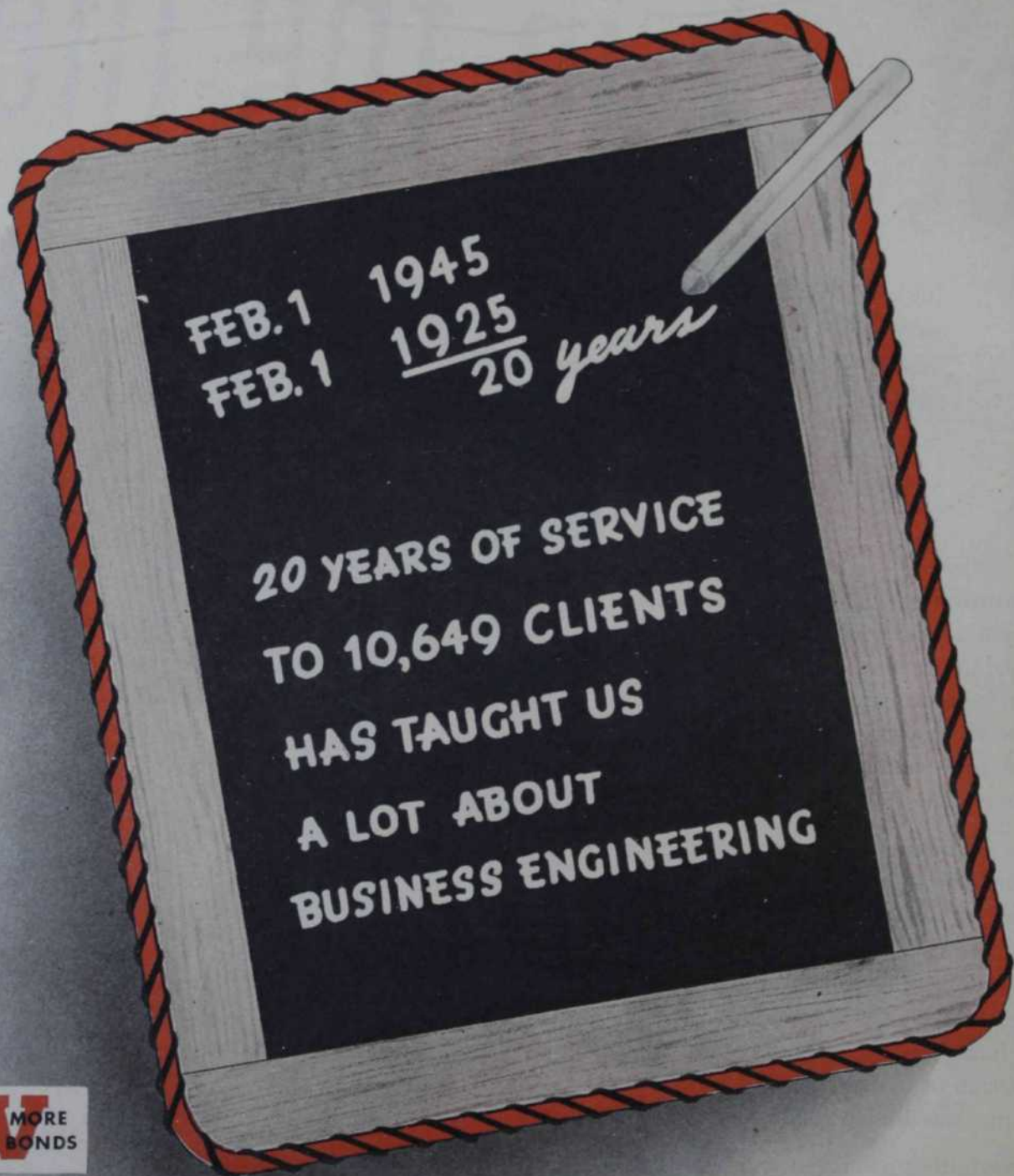
Chrysler Building, New York City

Manufacturer of Ethyl fluid, used by oil companies to improve the antiknock quality of aviation and motor gasoline.



Wartime progress by America's petroleum industry has paved the way for fundamental progress in post-war automobile engine design.

Figure it out yourself...



You've Got to Spend Money to Make Money

GEORGE S. MAY COMPANY

The World's Finest Business Engineering

OFFICES IN PRINCIPAL CITIES

Nation's Business



PUBLISHED BY

CHAMBER OF COMMERCE OF THE UNITED STATES

VOL. 33

FEBRUARY, 1945

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DIAGNOSIS FOR DUST



MODERN high-speed production methods; new processes highly sensitive to dust; and, universal appreciation of the hygienic effect of "good house-keeping" in maintaining efficiency of both men and machines has made scientific dust control analysis essential in postwar production planning. AAF's engineering staff working hand-in-hand with our research laboratory is ready to help you now in perfecting your dust control system for peacetime manufacture. There is no obligation involved in working with us on your future dust control plans.

Bulletins describing the application of AAF equipment to both process and atmospheric dust problems are available on request.

Write For This FREE Book



If you have a dust problem, write us for a copy of "AAF in Industry" which describes our complete line of air filtration and dust control equipment.

AMERICAN AIR FILTER CO., INC.
INCORPORATED

109 Central Avenue, Louisville 8, Ky.

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ENGINEERED DUST CONTROL

John B. Kennedy
tells you how
5,498,210,000
Cooling Units*
are working for
Victory



"I HAVE TALKED WITH MEN back from the sweltering heat of the tropical fronts. I have listened to men who have sailed with our mighty task forces. And they put me on the track of a great story of a vital contribution to the efficiency of every branch of the armed forces. The search for further facts behind these battle line reports took me to the plants of the York Corporation. There I learned the dramatic story of air conditioning and refrigeration at war."

***The Science of Cooling
Has Vital Jobs in the Navy***

"Let us consider the job that air conditioning and refrigeration is doing in the Navy. It is no overstatement to say that without the science of cooling, the range and striking power of our fighting fleets would be considerably reduced. Without refrigeration, food for months of extended operations could not be preserved; our task forces could only skirt the edges of the vast Pacific instead of striking close to the enemy's homeland. Without air conditioning, magazines would be hot hells of danger to stored powder . . . fire control towers . . . ready rooms . . . instrument rooms would not be filled with the vitalizing atmosphere most conducive to the efficient coordination of mind, nerve and muscle.

"And these jobs for refrigeration and air conditioning are not limited to one or two types of ships. Carriers, battleships, cruisers, destroyers, even landing craft . . . each has its complement of equipment."

***A Total Effort to Meet
the Demands of Total War***

"But, I can assure you, the demand for this equipment is not limited to the Navy.

"Every branch of the service has called for more and more installations. From basic training to battle front, the soldiers' diet of fresh food is protected by refrigeration. In Army training camps cold storage and ice making equipment is on the job. Refrigerated ships deliver their cargoes to portable cold storage plants on foreign shores from which refrigerated trucks take the fresh rations as close to the front line as possible.

"Air conditioning and refrigeration have many other important uses in the Army. Air conditioning guards delicate equipment in remote Signal Corps huts. Refrigeration is the vital part of low temperature wind tunnels and test chambers where men, airplane engines, instruments and gear are exposed to stratospheric temperatures and pressures. You may be sure the knowledge gained from such experiments has helped to keep our men and equipment on top!

"York air conditioning and refrigeration is on the job in bomber plants and airport control towers. It also makes an essential contribution to the production of blood plasma and penicillin . . . synthetic rubber, high octane gasoline, steel, explosives and chemicals—all vital cogs in the machinery of war."

How the Challenge Was Met

"To meet this wartime demand York has engineered a wide variety of mechanical cooling equipment applicable to highly specialized engineering projects numbered in the hundreds and fitted to the particular needs of the armed forces and the industries serving them.

"In many cases new techniques and new methods had to be developed from scratch. I can assure you that these war-born developments have advanced the science of refrigeration many years . . . and that they herald a healthier, more livable, more comfortable world for you and our returning servicemen."

John B. Kennedy
John B. Kennedy

*Cooling effect in B. T. U. per hour, American Society of Refrigerating Engineers Testing and Rating Code Number 14-41.

*"We've found
MARCHANT
best for multiplying
SMALL FIGURES*

*...as well
as large!*

"Yes, our Methods Dept. always said Marchant was best for large figures, combination work, divisions, etc.

"Now it says that recent Marchant improvements make it superior for multiplying small figures, too!"



*P.S. Our operator
says*

"500 multiplications per hour like
 $37 \text{ hrs.} \times .95 = 35.15$

are easy...and
this time
allows for
contingen-
cies, too."



Deliveries according to WPB schedule



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SALES AGENCIES AND MANUFACTURER'S
SERVICE STATIONS GIVE SERVICE EVERYWHERE

NB

Notebook



Man for the job

HARKING back to that dependable Chinese formula "One picture is worth a thousand words," a Chicago mail order house has fixed up pictures and diagrams to show the job applicant what his work will be, the surroundings, tools, recreational facilities, and the like. Other concerns are getting their job descriptions more concise and accurate.

Psychological tests have grown more popular and the old-fashioned interview with a checking up on references is on the way out as personnel procedure is modernized.

Another mail order concern is using laboratory tests developed by the University of Chicago to discover executive talent. These tests determine ability to reach decisions from incomplete data.

Industrial thinking

TO those whose business recollections go back 30 years or more, the breadth and caliber of present-day industrial thinking offer a striking contrast to examples in the past. Some illustrious figures of finance and business departed this mortal scene in the early days of the century leaving only one or two remembered phrases. "Don't sell America short," was one. "The public be damned," was another. A glittering generality uttered solemnly by the tycoon of the day might get columns of newspaper space and dozens of editorials.

Today, if "thinking makes the man" then there is no dearth of "men" in industry. For example, here are four samples from a single booklet compiled by the public relations department of General Motors Corporation. All told there are 15 quotations almost as good:

"Some have an idea that the reason we in this country discard things so readily is because we have so much. The facts are exactly the opposite—the reason we have so much is simply because we discard things so readily. We replace the old in return for something that will serve us better."—ALFRED P. SLOAN, JR., chairman of the board.

"Customer good will is like money in the bank! In fact it's really better than money in the bank because—well, for

one thing—you don't have to pay any taxes on it."—H. G. WEAVER, director of customer research.

"Basically, war is a terrible way to obtain experience. From the usual business standpoint, it is a system of inverse economics. In war we make something the enemy doesn't want and do our best to deliver it when he least expects it and where it will do him the most harm—and at the highest cost."—C. F. KETTERING, vice president in charge of research.

"I happen to think that the most important postwar problem is to get every citizen to realize that he ought to be ready and willing, through education, experience and work, to make a social contribution in proportion to the social reward he expects to receive."—C. E. WILSON, president.

Vendor relations

EVERY retail store has faced the problem of what to do when a successful buyer leaves, carrying with him all the results of his close contact with the sources of supply. He knows lots more about them, their merchandise and operating methods than his superiors do.

R. H. Macy & Co. meets this problem with what is called a "Vendors' Diary," a book the buyer must keep up to date with all pertinent information about his transactions and experiences with those who sell merchandise to the store. It is a running account of trade relations, available for checking at any time there is a disgruntled seller and available as well to any successor to the buyer who keeps it.

In revealing this system, the New York store also made public its code on vendor relations. Leading stores are trying hard to cement their relations with suppliers, not only because of present shortages but because, after the war, good, as well as big, customers will get the breaks. Goodwill dinners, get-together meetings and advertising are directed to these ends.

Job data for veterans

"OUR Veterans Are Welcome Back at Sunshine" is the title of a booklet which



Keep those sleeves rolled up!

NOW is *no* time for us at home to relax our efforts. Our fighting men overseas are engaged in the grimmest, most deadly fighting of the entire war.

Our job is to see that these men have every fighting chance...that they are better equipped...better supplied...at all times...than the enemy

Keep those sleeves rolled up and let's all continue to produce and move materials vital to Victory.

That's why the Erie and other American Railroads are pledged to continue their all-out effort in rolling the materials of war to all fighting fronts.

Buy War Bonds and Stamps



the Loose-Wiles Biscuit Company (Sunshine Bakeries) has sent to its more than 2,170 men and women in the service.

After setting forth the G.I.'s legal rights, the booklet goes on to announce that each plant has a Veterans' Re-employment Committee with the added feature of a Veterans' Counsellor.

Arrangements for handicapped veterans and for up-grading those who have acquired greater skills are described and the company waives the 90-day limit for reinstatement when reasonable grounds are offered.

From industry to public

BESIDES the crop of newcomers to manufacturing after the war, established industry can also look for competition from other directions, among them the addition of consumer business by what has been only industrial business in the past. Thus, the Hewitt Rubber Corporation of Buffalo, for more than 80 years a leader in the industrial rubber business, will expand into the consumer field with latex foam and molded rubber products. The latex will go into such products as mattresses, upholstered furniture and automobile seats. An entirely new type of injection molding process, according to Thomas Robins, Jr., president of Hewitt, is to be the basis of the company's bid on many molded rubber articles.

As in other cases, the Hewitt decision to expand into consumer products seems to stem in part from a desire to maintain an employment which is now four times any prewar year. That will be the motive of other companies as well, in spite of the notion which persists in some quarters that business is hard-hearted.

A general nod

THE G.I. business loan regulations make no provision for buying merchandise—only the place of business and equipment. Brig. Gen. Frank T. Hines, veterans' administrator, has suggested that the veteran can probably stock up "on consignment" or with goods to be paid for when, as and if they are sold.

The good general did a bang-up job in getting more than 2,000,000 men to Europe and back in the last war but he would face a much tougher task trying to buy goods on consignment these days. The old practice has practically disappeared in the face of current shortages. Moreover, the postwar outlook and possibilities do not shape up much better in the opinion of authorities.

Unless the veteran has capital of his own to spend for the merchandise he requires, it looks as though he may be out of luck under the present loan rules.

Fashion sources first

NEW YORK'S project for a Fashion Center to rival Radio City in grandeur and to spearhead "American Styles for

American Women," is temporarily quiescent under renewed war stress. However, the Metropolitan Museum of Art has taken a step toward the same goal by accepting direction and sponsorship of the Museum of Costume Art.

Eventually under the plan the Art Museum will devote a wing to costume art. Period designs will be shown and special loan exhibits from other outstanding collections will be displayed from time to time. A workroom in conjunction with this wing is also contemplated.

Lord & Taylor, New York fashion store, published this tribute: "Having the Metropolitan Museum of Art take a guiding hand in the inspirational sources of New York fashion is a tremendous step toward making the dream of a mature, firmly established New York fashion center come true. Good fashion depends on good design. Good design is furthered immeasurably by good inspirational material. New York's fashion industry can't ask for better than the guidance and sponsorship of the Metropolitan Museum of Art."

Threads cost \$100,000,000

THE old saw, "for want of a nail, the shoe was lost," and so on, was brought up to date recently in the announcement that the difference between American and British screw threads has added at least \$100,000,000 to the cost of the war.

William L. Batt offered, and proved, this figure at a meeting of the American Standards Association.

Moreover, that sum is merely small change compared to what lack of interchangeability has cost the total war effort. Hitler ordered military trucks for civilian use before his *blitzkrieg* and stuck to one reliable transport plane model. We had nearly 300 types of wheeled vehicles more than a year after the war started. Four different makes of engine are used in one of our medium tanks.

Looking toward peace, standardization would mean much larger replacement business when our vast lend-lease shipments reach export markets. Once American standards are introduced, the business holds on. Which is one reason, it is suggested, why Britain pushes her own standards.

Personality for cans

A RECENT magazine story about a keen salesman who bought up a large lot of canned fruit salvaged—minus labels—from a sunken ship had a peculiarly American aftermath. The salesman sold the cans at bargain prices but a nice personal profit to small bakeries who did not have to know what was in them. They were making pies anyway.

Sequel came when story inspired a store worker to offer "can identification" as his entry in a suggestion contest. He suggested drawing up a code list that would designate can contents



If your community owns its water supply system and installs pipe bearing a mark like this, you and your fellow taxpayers should be gratified because that mark identifies cast iron pipe, known as "Public Tax Saver No. 1."



CAST IRON PIPE RESEARCH ASSOCIATION, T. F. WOLFE, ENGINEER, 122 S. MICHIGAN AVE., CHICAGO 3

CAST IRON PIPE SERVES FOR CENTURIES



BATTLE FLEETS OF THE SKY BORN OF *Aluminum*

AMERICA'S four-engine bomber—17½ tons of flying, fighting aluminum—may well be the symbol of this nation's great aluminum industry. ★ When Hitler first attacked, America's aluminum industry was just an ambitious infant producing about 160,000 tons of metal a year. But with war, aluminum production sky-rocketed. Output of this light metal doubled again and again. In 1944, aluminum was produced at the rate of about a million tons a year. ★ Vital in war, aluminum will occupy an important place in peacetime living. Pre-war articles made of this light metal will return in improved forms. Many new and different methods of utilizing aluminum promise a myriad of real comforts and conveniences with the war's end. ★ To the aluminum industry and its progressive, far-sighted leaders, we, of the Baltimore & Ohio, 70,000 of us, give highest praise. In our work of moving the might of the nation at war, we are constantly aware of the importance of aluminum to victory . . . and to peacetime living ahead.

[Signature]
R. B. WHITE, President

THOUSANDS OF INDUSTRIES THROUGHOUT 13 GREAT STATES RELY ON THE B & O TO BRING ALUMINUM FOR PROCESSING AND FABRICATION.



BALTIMORE & OHIO RAILROAD

even when labels were lacking. He won first prize.

To go with silver

IT IS scarcely a novelty for furniture dealers to stock silverware. Some are blossoming into full-fledged department stores. A leading Fifth Avenue silverware house, however, now reverses the process and has put in a furniture department.

This move seems to have a bit more to recommend it than some other steps of the kind. Period furniture is offered in the style of the silverware itself. One offering complements the other. Moreover, customers suggested the new line.

Burying metals

PERHAPS inspired by the American technique of putting gold back into the ground at Ft. Knox, the Australians have worked out their own methods of reburying metal.

The Waite Institute of South Australia has developed new fertilization methods for barren soil, the report tells. Arable land must contain minute traces of certain minerals—molybdenum, manganese, borax, potassium, copper and zinc. The cost of such treatment is trifling, the Institute asserts. Soil formerly worthless is now taking care of at least three sheep to the acre and other treated ground is providing rye grass pasturage for fat lambs and cattle.

Everybody talks

THE old question, "Whom will we get for a speaker," that has plagued program committees ever since the group luncheon was thought of, has been pleasantly solved by a group of trade association executives who meet once a week in Washington.

To each session, every member of the group is required to bring a new item of business news or a new business problem and be ready to answer as many questions on the subject as possible.

After lunch, the group leader calls on each one to present his subject. Everyone is happier.

The Coal Miner

ON THIS MONTH'S cover we salute the coal mining industry and its contribution to national success. Today 420,000 bituminous miners like the man we have pictured produce more coal than 615,000 produced in World War I. That is a splendid individual accomplishment.

And back of the miner, the individual, is a story of industrial improvement, better methods, better machines, more research, made possible because somebody was willing to risk his savings and somebody had the skill to manage the spending and direct the effort.

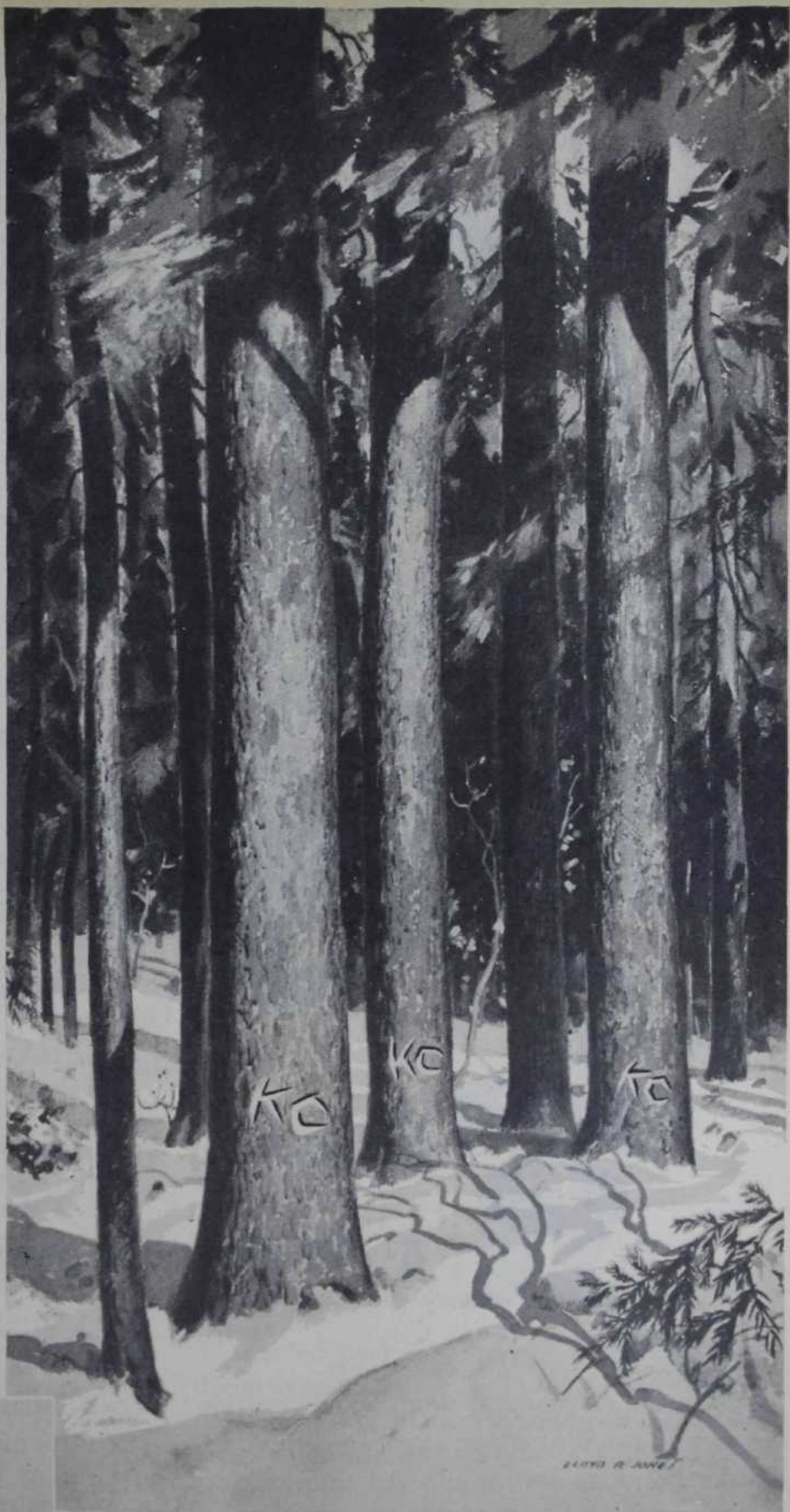
The initials "KC" are carved on vast forests

Remember, when you were a boy, how you selected the tallest, sturdiest tree in the woods and carved your initials on it to claim it your own? Well, Kimberly-Clark has done the same thing on a vast scale.

Having discovered that Spruce with the right combination of height and density makes superior paper, our foresters set their aims. They worked ceaselessly until Kimberly-Clark had secured—through purchase and a process of elimination—timber lands with a preponderance of the finest Spruce.

To make the most of this enviable advantage, cultivation and growth of these forests are supervised by the same experts who mapped and surveyed the areas. Working in close cooperation with the mill chemists, these technically trained foresters carry out in the cutting operation every detail that contributes to quality.

Thus, through quality control in the woods, as well as in the mills, Kimberly-Clark produces a paper so s-m-o-o-t-h, so uniform, it excels in printability.



**KIMBERLY
CLARK
CORPORATION**

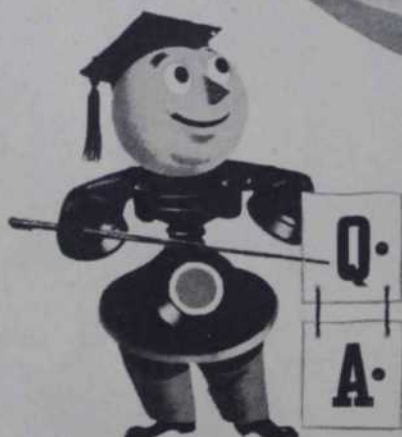
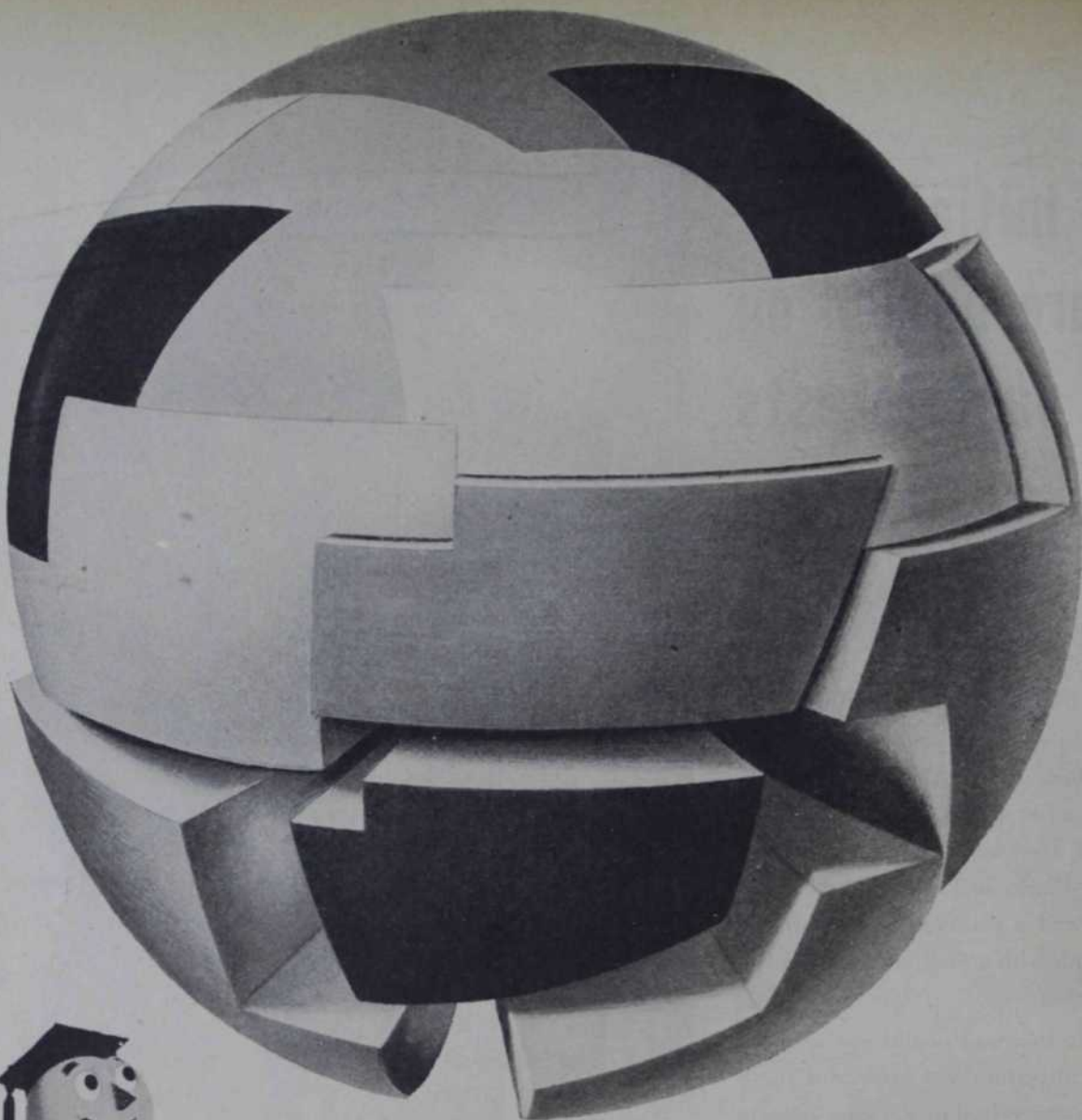
NEENAH, WISCONSIN



PAPER PACKS A WAR PUNCH—DON'T WASTE IT!

*Levelcoat** PRINTING PAPERS

*TRADE MARK



Q. How many ways can you build a globe?

A. As many as you please—provided the parts fit!

The communication system which carries your voice across a continent and beyond, works because its millions of interlocking parts are engineered to fit. There are thousands of switchboards, 26 million telephone instruments and 65 million miles of circuits.

Each individual part, no matter how ingenious, is merely a unit in the whole system. The final test is—does the system work? This is the engineering ideal of Bell Telephone Laboratories. It has helped to create the greatest telephone system in the world.

BELL TELEPHONE SYSTEM





“Keep the change”—



[*A simplified Annual Report of the American Railroads in their third year at war*]

IN 1944, the railroads rendered to the American public the greatest volume of service ever performed by any agency of transportation.

For doing this job, they received about 9½ billion dollars. That's a lot of money — but most of it was earned by hauling tremendous tonnages of freight for less than one cent per ton per mile and carrying passengers for even less than before the first World War.

Out of every dollar the railroads received —

38¢ was paid out in pay rolls.

29¢ was paid for materials and supplies of all

sorts and other operating expenses.

19¢ was paid in taxes — federal, state and local.

7¢ was paid in interest, rents and other charges — a great share of which went to insurance companies, savings banks, endowed institutions.

2¢ was paid in dividends to stockholders.

5¢ was left over in “change” to cover all such things as restoring roadways and equipment after the war, paying off debts, and providing reserves for the improvement of plant and the modernization of service necessary to keep pace with American progress.



ALL UNITED FOR VICTORY

Who is Right?

QUIZ QUESTION: What is Addressograph?



"Addressograph is a business system for writing payroll information. We have used it for several years."

"We use Addressograph in our factory office for speedily writing production forms. I think it's a production control system."



"I would define Addressograph as a system which puts information to be written more than once on metal plates so that it can be reproduced quickly and with 100% accuracy."

"I think Addressograph is equipment for addressing envelopes, magazines, and other mail."



"Addressograph is a method for writing job tickets, parts identification, etc. At least that's what we use it for in our plant."



Here is the Correct Answer:

Every one of these answers is right! As far as it goes. Actually, Addressograph simplified business methods save time, cut costs, and guarantee accuracy *wherever* paperwork is done. Addressograph fits itself into small business and large, into every department

—takes over the complete job of writing anything which must be written more than once.

Why not start a treasure hunt in your business—search out ways to improve efficiency in office and factory? Our Research and Meth-

ods Department will help you, show you how Addressograph simplified business methods are cutting corners for others in your industry. Telephone our local agency or write Addressograph-Multigraph Corporation, Cleveland 17, Ohio.

Addressograph

TRADE-MARK REG. U.S. PAT. OFF.

SIMPLIFIED BUSINESS METHODS

Addressograph and Multigraph are Registered Trade Marks of Addressograph-Multigraph Corporation

It's all in knowing how



As the twig is bent, the tree's inclined. And our country has always encouraged the boyhood knack of making things — especially things that work. That's one reason why America is rich in stories of men who could do the hard wartime jobs — such as the one told below.

For many years before the war, General Motors men kept busy making more and better things for more people. They had learned through endless research and experiment how to improve the quality of these things, while at the same time producing them in large volume.

They reduced complicated mechanisms, like an automobile, to their simplest parts — made these parts exactly alike in great numbers — then assembled them into complete units. This cut time and costs so low nearly

everyone could own a good car — and most people did.

But the war brought problems that promised to stump even the experts in volume production.

For example, the famous Oerlikon gun, a piece so precisely made it seemed that only slow handwork could ever duplicate it.

But General Motors men took it on. They redrew blueprints from metric to English measure. They devised new machines and new methods that produced to ultra-precise limits.

The production skill acquired over many years was quickly focused on this task. And soon our ships began to bristle with thousands of those quick-firers that rip dive bombers to pieces.

Spitting 400 shells to the minute, GM-built Oerlikon guns barked notice to the world that American methods were as adaptable to making guns as to producing automobiles.

This is just one wartime example out of many hundreds that shows how America is benefiting from its peacetime mass-production "know-how" and its manufacturing skill.

Ability to make things in great numbers is as useful in protecting our American way of life as it was in enriching that life before war came.

And when total victory is won, it will be ready in peace to provide more and better things for more people.

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WHEN she wants to start skating, she places the skate runner *at an angle* and pushes against the ice. When she wants to stop, she places her skate ahead of her body and turns the runner *at an angle*.

This illustrates how Goodyear's famous diamond-shaped All-Weather tire tread functions. When your car goes forward, the two rear sides of the diamond form an angle which provides *starting grip or traction*. When you apply the brakes, the two front sides form an angle which provides a *stopping wedge or skid-proof*.

First introduced by Goodyear away back in 1908, the basic design of the All-Weather tread remains essentially the same today as it was 37 years ago. That's because this tread is scientifically engineered to do what no other tread can do. It provides start-and-stop traction and resists tire slipping *in all directions*.

The diamond block non-skid All-Weather tread is only one of the many exclusive features which make Goodyear today — as for more than 29 years—the No. 1 tire in America!

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THE GREATEST NAME IN RUBBER

MANAGEMENT'S

Washington LETTER

A last minute roundup by a staff of Washington observers of government and business

► **GOVERNMENT MANPOWER CONTROLS** are short-circuited, badly muddled by conflicting figures from Agriculture, Labor, WMC, WPB, OWM, and Selective Service.

Official estimates of additional workers needed for urgent war programs range from 90,000 to 350,000.

Byrd Committee says drastic pruning of federal civil pay roll would release 300,000 for essential war jobs--more than enough to cover all needs for first half of '45.

Uniform 48-hour week in industry would be equivalent to adding 500,000 new workers to factory pay rolls. (Average work week in industry now is 45.6 hours.)

WPB feels labor-draft law could not become effective in time to meet immediate requirements of military program.

Selective Service Boards are recombining occupational deferments, but have wide discretion on definition of essential work.

Employers will not be "raided" if they present strong case for their workers, supported by labor union endorsement.

► **PEPPER'S HEALTH-WELFARE COMMITTEE** finds between 8- and 9,000,000 men in military draft classifications unfit for general military duty—"more than twice the number now overseas...." (Includes 4,500,000 4Fs, plus medical discharges and limited-duty draftees.)

But committee's report to Senate viewed 4F labor draft as unnecessary; "in most cases they are serving honorably in war production, or in some other necessary civilian activity."

► **BUSINESS TRAVEL** to liberated areas is allocated by State Department; commercial air cargo space is likewise assigned, after FEA export approval.

Travelers must be inoculated for smallpox, typhus, typhoid—plus yellow fever and cholera for Pacific areas.

Priority application also may be obtained from regional office of Commerce Department.

Air space is very tight; but really urgent business missions have a look-in after Army, Navy, Red Cross, and OWI.

► **ENFORCEMENT ACTIONS BY WPB** average about 275 daily, but great majority of cases prove to be unintentional violations. Investigation of 250,000 business firms in three years has resulted in only 700 suspension orders plus 250 consent decrees before Compliance Commissioners.

Most violations are settled by a routine telegraphic "stop order," but in some cases formal suspension order cutting off raw materials results in "partial or complete suspension of the firm's business operations."

One shipbuilder asked, "What do you want, records or ships?"

Replied WPB's Compliance Director: "We want and we'll get both records and ships."

► **GREAT LAKES ORE FLEET** must be expanded quickly to insure stockpiles for revised steel program, WPB warns.

When navigation opens in April, iron ore inventories at mills will be down to about 10,000,000 tons, or only about half of last year's beginning stocks.

Lay-ups for obsolete vessels, plus short season last year left total ore deliveries 3,000,000 tons under 1943 and 11,000,000 under 1942. WPB urges that draft deferments of lake ore crews, which expired at close of '44 season, be extended through November.

► **LONDON IS EXPLORING** prospects for a postwar Mutual Aid agreement covering whole British Empire; would fix import quotas from each Dominion according to exports taken; all transactions to be financed by a special form of "Empire debentures"; balances to be settled only through government transactions.

This world-wide Sterling-area program is not in conflict with Bretton Woods credit and currency proposals, but only a parallel mechanism to serve Empire reconstruction pending final agreement on United Nations world bank.

► **NEW POTASH LEASES** on Utah public domain (200,000 acres) will be awarded only on competitive-bid basis. Revised

regulations limit leases to 15,360 acres, give Government right to purchase up to 20% of production (for fertilizers), after 12½% royalty payable in cash or kind at Government's option.

Sales or assignments of leases are subject to approval by Secretary of Interior.

(This is the first public domain addition to U.S. potash reserves since 1926, when 6,500,000 acres were opened to development in New Mexico.)

► **DECISION TO REBUILD** French Army under modified lend-lease arrangement is reflected in loading U.S. steel production beyond rated capacity with some high-priority war items already booked through June.

Maritime Commission also has placed contracts for 200 additional merchant ships, calling for more than 1,000,000 tons of plates over next seven months.

Although our steel industry delivered a record volume of 88,500,000 tons last year, first quarter bookings already surpass final quarter of '44.

Another measure of recent production step-ups: entire automotive industry produced \$9,000,000,000 on rated contracts in 1944; now has on books \$11,000,000,000 in unfilled war orders.

France has an estimated 3,000,000 men fit for military service; equipping new tactical units provides an unexpected outlet for U.S. \$1,000,000,000 surplus property inventory.

► **COTTON TEXTILES ALLOCATIONS** for emergency production of 30,000,000 infants' and children's garments for civilian trade have been matched by fabric set-aside orders at mills; but WPB warns some mills may not be able to honor preference letters.

In such cases, garment makers are urged to enlist WPB's aid. These inquiries should be directed to Joseph F. Gleitsman, Clothing Division, WPB, Washington 25, D. C.

► **A FIVE-YEAR PLAN FOR CHINA**, supported by revised lend-lease agreement, is urged by Foreign Economic Administration thinkers; blueprint calls for some 600 new industrial plants, to be equipped with latest American machinery—especially textile mills; also \$35,000,000 worth of medium trucks, several oil refineries, and many electric power plants.

Chinese Government would establish a WPB in Chungking to manage the projected

billion-dollar industrialization program.

U.S. already has shipped materials for one oil refinery, via India. Actual placement of this and all other basic equipment, however, must await reopening of Burma Road. (Chinese supplies now limited to air cargo.)

Donald M. Nelson's on-the-spot report covering China's war production prospects got no White House action. Alternative proposal from FEA "brain trust" leaves Nelson cold. He will not go back to China. Friends say his government service has ended.

► **IF LATIN AMERICA** is on your postwar business map, you will be interested in U.S. Tariff Commission's new series of four reports surveying war's impact on (a) Economic Controls and Commercial Policy, (b) Mining and Manufacturing Industries, (c) Agricultural and Forest Industries, and (d) Recent Developments in Foreign Trade.

First five pamphlet reports, now available, cover Venezuela and Colombia; others to follow; address U.S. Tariff Commission, Washington 25, D.C.

► **STATE ALLOCATIONS** from the \$1,500,000,000 postwar federal-aid road fund (approved Dec. 20, '44) have been announced by Federal Works Agency, but actual construction money will not become available until "the first postwar fiscal year following the ending of the war emergency."

Only \$100,000,000 of total authorization may be used during war (if Congress actually makes the appropriation) for plans, surveys, and acquisition of rights-of-way by State Road Commissions.

But by announcing allocations now, Public Roads Administration enables states to make their postwar budgets on basis of anticipated federal contributions; to put projects through the preliminary engineering, ready to begin work as soon as materials, manpower and machinery are released.

New equation for allocation of federal-aid funds is weighted one-third for area, one-third for population, and one-third for RFD mileage.

Federal-aid funds may be used on approved city projects to relieve traffic bottlenecks on arterial highways.

Each state must match its federal road grant dollar for dollar.

► **ENRICHMENT OF BAKERY BREAD**, now mandatory under federal war directives, is

urged in many state legislatures as permanent nutrition policy. (Expiration of war powers would automatically wipe out federal enrichment orders.)

National Research Council has prepared a uniform enrichment statute embodying present federal standards (thiamine, riboflavin, niacin, and iron).

Copies of proposed law and supporting data available through American Institute of Baking, Chicago.

► **EUROPEAN REFUGEE COLONIES** for South America have been proposed to United Nations Relief and Rehabilitation Administration by several Good Neighbors having available public lands.

In addition to lands, nations offer tax exemption for a stipulated period, free transportation, and free entry for all materials and equipment contributed for resettlement projects. UNRRA has submitted proposal to the Inter-governmental Committee on Refugees.

Latin American nations have pledged \$42,000,000 to UNRRA's \$2,000,000,000 global relief fund; 90% to be in form of domestic credits for local purchases, 10% for use elsewhere. (Most pledges still are subject to legislative ratification.)

► **FEDERAL SUBSIDIES** to hold price ceilings on consumer goods total more than \$1,300,000,000, Defense Plant Corporation reports.

Subsidies began at different times, during '43 and '44. Cumulative totals to date: Meats, \$660,000,000; petroleum, \$312,000,000; butter, \$117,000,000; flour, \$86,000,000; coal, \$40,000,000; beet sugar, \$25,000,000. (These figures do not include export subsidies paid by CCC.)

Despite congressional resistance, consumer subsidies have been imbedded deeply in U.S. price structure.

► **EXPANDING FARM ACREAGE IN MEXICO** is supplying an increasing volume of winter vegetables for U.S. markets—270,000 tons last season.

Without production quotas, price controls, or marketing zones, farmers in north Mexican provinces have reached full employment supplying U.S. cities with fresh peas, tomatoes, lettuce, celery, endive, etc.

Movement starts in November and peak load comes in March and April, a little ahead of Florida, California and Texas.

Because of tight picture in rolling stock, ICC has limited U.S. freight cars

moving into Mexico to number returned previous month.

► **VETERANS ADMINISTRATION** estimates new pensions authorized for widows and orphans of World War I will add 82,000 names to rolls in 1945—cost \$37,000,000 first year.

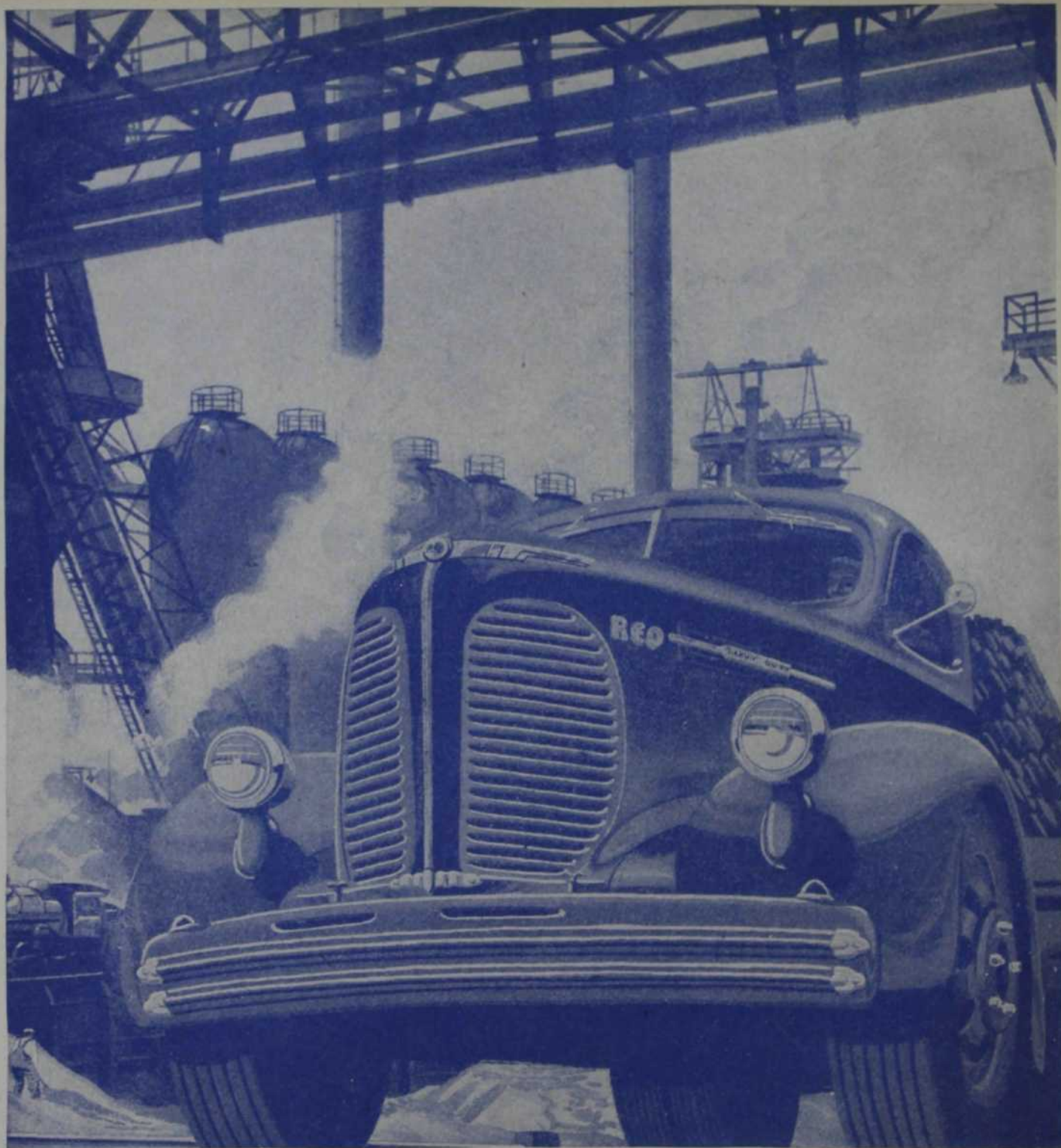
All dependents of 1918 veterans now are eligible, instead of service-connected disability cases only.

Rates: widow, \$35 per month; one child, \$10; additional children, \$5 each; one orphan, \$18; next 2, \$9 each; fourth and over, \$4 each.

With benefits still being enlarged for veterans and dependents of World War I, and World War II men just beginning to qualify, Veterans Administration estimates it will need \$2,600,000,000 next fiscal year, against \$1,200,000,000 this year, and \$725,000,000 in fiscal '43.

Peak of veterans benefits from present war will not be reached until 1965-70.

► **WASHINGTON BUSINESS BRIEFS:** Congress leaders say they can't attempt tax relief for small business (raising excess profits exemption from \$10,000 to \$25,000) before midsummer....OPA reports civilian meat supply is running 15% under year ago....War Department has streamlined contract-termination routines, cutting average settlement period in half; now 45 days between final claim and settlement; but contractors still take an average of 78 days to prepare claims....Mexico's first 100-octane gasoline plant will be in production in October, financed by a \$10,000,000 credit from Export-Import Bank, arranged by Petroleum Administrator Ickes....Projected million-acre national park in Florida Everglades is being delayed by oil explorations....Northwest Airlines has been granted a Milwaukee-New York franchise by CAB, thus making our fourth coast-to-coast route....U.S. produced \$8,500,000,000 worth of minerals in 1944 (including coal and petroleum), up 6% from previous year, and 54% above 1918 peak for World War I....Russia has delivered U.S. only \$25,000,000 on \$100,000,000 contract for strategic materials placed in September '41, on which Jesse Jones made a \$50,000,000 advance payment; Jones says he's a "claimant agency" at the peace conference....Federal Trade Commission says 48 U.S. export associations are operating under Webb-Pomerene Act....Postoffice has resumed limited mail service to most of Holland.



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HOW BROKE IS GREAT BRITAIN?

By JUNIUS B. WOOD



AN AUTHORITY on world affairs shows what has been happening to Britain's economy and how she plans to regain her former strong position in foreign trade

THE ECONOMIC condition of England is a problem for every American business man—exceeded only by his responsibility for his own country. World trade, prosperity and the future peace depend on the two nations. They are the outstanding commercial leaders. In world markets, they are rivals but the empire normally buys two-fifths of our exports and supplies one-third of our imports. Britain is the world's greatest importer and the United States, its greatest exporter. Unless industry and trade resume on a firm foundation in both countries, both will be crippled and the blight will spread around the world.

So, what of England? Is it a bankrupt nation as so many believe? Has it lost or sold the overseas investments which balanced its excess of imports? Is its merchant shipping gone? Has the United States stolen the export trade, the backbone of United Kingdom economy? Can it survive its war debts? Will it emerge from the war a going commercial concern as before?

Lord Catto, governor of the Bank of England, spoke to the point on the last question when he said:

"I am fully confident that the country will regain its old financial and industrial leadership in the world. If it were not for the financial miracle of lend-lease and the Canadian war contribution, it might be different. Other countries have debts in the same proportion but without our external financial problems. However, our external obligations

should not fill us with dismay. Our national debt is three times that of the last war but our productive capacity has increased and we have generations of accumulated experience."

A fiscal comparison

GOVERNMENT expenditures and debts show the financial situation in the two countries. The comparative figures are from the U. S. Treasury report for 1943-4 and the latest British White Paper giving 1943 totals. As the fiscal years do not coincide, some variation must be allowed for in the comparisons. The Pound Sterling is converted into dollars at the rate of 4.03, as specified by London, and the population estimates are 135,000,000 and 47,000,000, respectively. The figures are:

	(In Millions)		Per Capita	
	U.S.A.	U.K.	U.S.A.	U.K.
Annual expenditure	\$93,744	\$23,301	\$694	\$496
From receipts	44,149	11,590	327	247
From loans	49,595	11,711	367	249
Per cent from cash	47.1	49.7
National debt	201,003	64,003	1,489	1,361

Not included in this total of the United Kingdom national debt is \$4,368,000,000 which the British still carry on their books as owing to the United States from the First World War. Nor do the British include lend-lease from the United States or mutual aid from Canada in their figures. The former, by the President's last report, has reached \$9,321,000,000, with a reverse lend-lease deduction of \$1,934,000,000.

By meeting close to 50 per cent of its annual expenditure by heavy taxes and other government revenue, the United Kingdom has held down the debt burden which it must carry after the war. Through the six years since 1938, current receipts have covered 47.6 per cent of all expenses.

Though our expenditures increased \$14,930,000,000 over 1942-3, this is the first year that the United States has even approached a 50-50 pay-as-you-go status. In 1942-3, only 28.5 per cent of our expenses were met by current receipts. However, 92.2 per cent of the 1942-3 expenditures and 92.8 per cent of 1943-4, were for war activities, indicating that receipts can cover expenses in normal times.

Our Treasury Department's year-end

report fixes the national debt of the United States at \$230,630,000,000, or \$1,662.68 per capita, on Jan. 1, 1945. During the year it had increased \$64,752,000,000, or \$454.20 per capita, an addition of \$176,920,000 for each of the 366 days. After World War I, on Aug. 31, 1919, our national debt, the greatest to that time, was \$26,597,000,000, which divided to \$250.18 for each man, woman or child.

Like any other country, or the humblest merchant, England's problem divides into two parts: debts, and resources for resuming postwar trade. Although the latter is the more urgent because debts can be liquidated over the years, let us dispose of debts first.

Of the British national debt only 7.6 per cent is external—chiefly the \$4,000,000,000 still carried as an American World War I loan. The internal debt consists almost entirely of bond issues to support the war. Carrying charges on the entire debt are \$1,310,000,000, or 1.8 per cent. The internal debt is an expense but not a problem.

In addition to this debt and not appearing in the government figures are the much discussed blocked sterling balances. They are what the United Kingdom owes to other countries for materials and services, some received before the war. The total, while increasing, is roughly \$8,000,000,000.

All of the dominions and most of the colonies and protectorates in the British commonwealth are among the creditors. About three-eighths of the total is owed to India and one-eighth to Egypt. Included is the Canadian interest-free loan, our Reconstruction Finance Corporation loan, and \$180,000,000 from Argentina; \$180,000,000 from Portugal; \$121,000,000 from Brazil; \$20,000,000 from Iceland; and \$16,000,000 from Uruguay.

Confidence in Britain

NO interest is paid on these balances and they are an impressive evidence of sympathy for Britain and confidence in her economic stability. They are not a serious obstacle to postwar recovery as so often claimed. They have accumulated because of the conversion of Britain's industries to war production and the curtailing of exports which normally balanced the raw materials received from the various countries.

It is plain that, when Britain returns to a peace production basis, these countries cannot be permitted to place unlimited orders against their credits. Britain must have current receipts to buy more goods.

Among the many proposed solutions

is a glorified tie-in selling plan fixing a proportion between what each country can charge off against its blocked sterling and what new purchases it must make in Britain. Another plan is to fund the debt in long term British bonds. Finally, fearfully suggested by some of the creditors, is that the Pound Sterling may be depreciated to reduce the debt. While that might increase exports, it also would increase the price of imports on which Britain so largely depends. Whatever solution is reached, the blocked credits will be a potent inducement to "Buy British."

Argentina already has liquidated part of its credit in exchange for Argentine bonds held in Britain. While these covered a long-term loan, desirable for Argentina, Buenos Aires was paying service charges on the loan and receiving no interest on the credit. British interests also own nearly 70 per cent of the railroad mileage in Argentina. They are willing, some say eager, to sell a minority holding of stock to Argentina, further reducing the frozen credits. Argentine stockholders might induce their Government to permit increases in rail rates while the majority stockholders would still control the roads,

000 in Britain's dollar pool. They cite one transaction—a jute purchase by the Soviet Union through the United Kingdom Commercial Corporation where 40 per cent was paid in dollars. This was added to the London dollar pool and India received credit in Pound Sterling.

Like its internal debt, the large frozen credits can be settled largely on Britain's terms. The creditor countries obviously must cooperate as their exports and their own prosperity depend on continuing trade with the United Kingdom.

Losses and gains from war

SO MUCH for the problem of indebtedness. Meanwhile, Britain's first problem is adjusting its current economies to the losses and gains in assets from the war. Prevailing discussions in this country emphasize the losses. More optimistic English economists contend that, over the years, the gains will be greater. Let us consider the losses.

The outstanding items are gold, dollar balances, foreign investments, shipping and property destruction. They were important for England's balance of trade. For banks and insurance companies, also important, war has not been a hardship.

American tourists who were another profitable source of income, are expected to return with peace in greater numbers than ever.

Since the war began, according to British figures, \$1,887,000,000 in gold and \$231,000,000 in dollar balances have been sold in the United States. The United Kingdom holdings in 1938, our government figures show, were \$2,038,000,000 and \$595,000,000 respectively. Britain's present holdings are a war secret. The future value of the yellow metal depends on how many countries return to the gold standard and whether the United States continues to buy it for burial at Fort Knox. Gold producing countries are hopeful.

In addition to gold, dollars and foreign currencies, British prewar investments overseas totaled \$16,000,000,000. Little of this was originally government investment but, since all private holdings abroad have been taken over under war emergency acts, it is, at present, government owned for all practical purposes. British investments in all parts of the globe include

property and business but are chiefly stocks or bonds of foreign companies. Investments of nearly \$1,000,000,000 were engulfed in Axis-occupied Europe and an equal amount in the Orient. They are not lost but their value when recovered and their future earnings—of rubber plantations, for instance—are speculative.

(Continued on page 72)



In London the Royal Exchange sits at the heart of a battered but not broken financial empire

buying British equipment and supplies.

India was a big factor in British recovery after the last war and, with increasing disturbed political conditions and larger sterling credits, will have a larger role after this one. The credits may be a substantial exchange for greater political independence. Included in these credits, according to Indian Nationalists, are more than \$200,000,-

IN ALL life, in everything around us, cyclical change is the rule. Can business be an exception?



RALPH PATTERSON

Can We Tame Business Cycles?

By ADA LILLIAN BUSH

Thus runs the argument:

"Modern capitalism is so complex that, if it is allowed full play, it creates alternate crises of 'boom and bust' no social fabric can withstand. Therefore, in our own best interest, our excesses must be curbed by governmental controls."

Dr. Bush's study of cycles in many fields besides business does not lead to this conclusion or to such a simple answer.

"HOW does it happen," asked the next in line at the lunch counter, "that the service we get here runs systematically to extremes—good on Mondays, way down Thursdays, better by Saturdays, and good again Mondays?"

The reply was drowned out in the din that characterizes luncheon in the National Capital. Anyway, the cashier was too busy, at the moment, to challenge or change one patron's opinion.

However, it doubtless is true that the service referred to has its ups and downs. Why should it be an exception? Spenser recognized a long time ago, "the everwhirling wheel of Change, the which all mortal things doth sway."

Furthermore, who can say, in the absence of intensive study, that such fluctuations are entirely without rhythmic pattern?

It is an accepted fact that many things do fluctuate from one extreme to the other and back again, over and over in regular sequence if not always at regular intervals. Science supports everyday evidences that rhythmic change plays an important part in the world. That being true, we need to know more about it. How to find out what we need to know, and how to use the knowledge gained—these are problems for practical consideration.

We live in cycles

RHYTHMIC behavior, by other names, often is taken for granted, as is indicated by the frequency with which the subject crops up in casual conversations. We have such old familiars as: "Three generations from shirt sleeves to shirt sleeves," "As sure as day follows night," "Wait for the rising tide," "After the feast, the famine."

Quite unconsciously, for the most part, we depend upon cyclical movement. In

the routine of regular breathing we inhale, exhale, inhale. Normal heart beatings are repeated over and over in perfect rhythm. Day-by-day activities are built around things to do at anticipated phases of known cycles. Luncheon engagements are arranged for the middle of the day. Plans are made to trim hedges in the fall, to install a heating system for combating the expected lows of winter weather, to set a trap in the hope of controlling a threatened peak in mouse abundance, or perhaps to take another look at the plans for the house that will materialize when peace returns.

It appears that all life is a complexity of cycles within cycles. But most activities of man seem to move in never-ending waves of irregular timing. Rhythm is in the fact of recurrence rather than in uniformity of intervals between recurrences.

Style cycles, and activities built around them, are striking examples of familiar rhythms. Take short skirts—in peacetime they have deep hems to let down when long skirts come in again. Fads come, go, and return. A successful dealer in style goods is a keen analyst

of human nature. From personal observation and otherwise, he must acquire sensitivity to irregular fluctuations in consumer preference. Effective planning is based on probable sequence in the phases of the style cycle. He expects that a high in consumer acceptance will be followed by a buying lag, possibly a style crash, and a new low.

The farsighted dealer in style goods works from an understanding of potential changes—rather than from definite knowledge as to time of change. He learns to recognize conditions under which a vogue will last and to plan something that will tide him over the period of transition from one big vogue to the next. During the rise of a style wave, he prepares for its fall.

The present rising tide of general interest in rhythmic fluctuation is associated with hopes of pending peace. Also, to some extent, the 1944 discussions for and against political change may have stimulated interest. While progress in cycle analysis has been slow, there are, nevertheless, quite a number of cycle studies bearing on recurrences that directly or indirectly affect individual performance and the nation's business.

Cycle studies touch on subjects all the way from cosmic variations—variations in the frequency of sunspots, auroras, and magnetic perturbations—to down-to-earth examples of the long waves in economic life, and recurrent changes in animal and insect abundance.

With respect to the latter, entomologists conclude that, under favorable conditions, practically any species of insect will tend to build up excessive populations then decline, for a period, to a status of relative insignificance. The Bureau of Entomology and Plant Quarantine in Washington and cooperating state agencies have gone far in studying a few of the many species. The purpose, of course, is to uncover cyclical tendencies that can be controlled.

Peaks for grasshoppers

MORE than any other insect, grasshoppers have been the subject of cyclical study. Long-time observations in 15 states revealed, for the area covered, a definite pattern of severe outbreaks, increasing to destructive peaks, then tapering to periods of little damage. From 1841 to 1877, the peaks occurred at regular intervals averaging ten years between peaks. Following a lapse from 1878 to 1890, the record of ten-year cycles was resumed, with approximate peaks in 1902, 1912, 1922, and

1932. The 1942 story for this area has not yet been told because grasshopper studies have been curtailed or concentrated on smaller sections where invasions have been most destructive. Little progress has yet been made in preventing outbreaks where their recurrence has been established, but—forewarned of an approaching outbreak—it usually is possible to reduce its damaging effect and to prevent the terrifying mass movements of migrating species.

The millions of dollars spent for checking the course toward grasshopper peaks have yielded high returns in crops saved.

In the matter of grasshopper-cycle control, progressive business men in the areas affected have shown great interest. Their assistance in scientific control measures is an outstanding development of recent years. Effective cycle control, wherever applied, requires alert and active cooperation by individual operators, employed workers and all others concerned.

The periodical cicada, or 17-year locust, is offered as an example of definite periodicity. It is also an example of a cycle, injurious to our economy,

which we can do little or nothing to control. Apparently, we might as well try to influence cosmic variations. At intervals of 17 years in the North, and 13 years in southern states, community singing from the tops of trees announces the presence of this pest. References to the 17-year life cycle of the cicada appeared as early as 1750 and Nathaniel Potter of Baltimore, who studied locusts for more than 50 years, later confirmed the regularity of the period. Cutting of trees and forest fires are about the only factors that affect its abundance, according to the Department of Agriculture.

Animals have cycles, too

CYCLICAL tendencies in many economic activities, as well as rhythmic variations in animal life, are given interesting attention in publications of the Foundation for the Study of Cycles, New York.

In some regions of the world, little variation in economic conditions is in evidence from one year to the next. The people labor in the fields about the same way, generation after generation, and seem content to live on bowls of rice or other low-cost foods.

Naturally, it is to be expected that the more industrial activities we have, the greater will be the consciousness of cyclical tendencies in operation, but the absence of economic complexities of a modern type is by no means a safeguard against fluctuations from plenty to want.

The Hudson Bay Company, Canada, reports that lynx skins brought in by trappers have reached peak abundance at regular nine to ten year intervals since 1844. Supplies of goods at the trading posts are stocked in anticipation of increased consumption by the trapper population in peak years. A low in lynx skins offered for sale indicates a scarcity of lynxes. The area is little adapted to occupations other than trapping. Consequently, the extreme variations in the lynx cycle bring great hardship. Once in every decade, the people pass through a period of deep depression and have barely enough to live on.

Here, then, we find an example of severe fluctuations from good to bad times in a community having a simple form of economic life and no industrial complexities.

In the United States, we may be forgetting some of the hardships of our early beginning, but we still need to study basic tendencies in the economic set-up we have created.

Charts depicting trends in
(Continued on page 80)



At regular nine to ten year intervals, lynxes are abundant and the trappers prosper



WITH the feeling that it is being outsmarted by the executive branch, Congress is looking for methods of bettering its traditional but clumsy methods of legislating



WIDE WORLD

Congress Checks Its Tool Kit

By CHARLES P. TRUSSELL

CONGRESS, which has investigated almost everything in recent years, has now undertaken to investigate itself. Through a special bipartisan joint committee of 12 Senators and Representatives it will consider its faults already alleged by members, seek others and recommend reforms designed for self-improvement.

This is a serious movement, authorized in December by overwhelming majorities of both houses (this is putting it conservatively, since the votes appeared to be almost unanimous). Checks behind the scenes indicate that most of the members are hopeful; that some are skeptical but willing to try; that some who want no change voted for self-analysis as a healthful thing. The idea that Congress needs an overhauling is not new but, as the legislative branch has pursued its cooperation, or competition* (it is put both ways) with the

executive branch, it has gained an increasing number of followers.

Congress feels that the executive branch has outdistanced and outsmarted it too often; that, by resisting suggested change in organization and operation, it has been losing ground in performance and public esteem. Meanwhile, the executive branch has flourished. Not only that, it has been able to pass its blunders on to the Congress.

This feeling exists to a widespread degree outside Congress as well, and civic and business organizations are making studies with a view to aiding the reorganization movement. James F. Byrnes, director of War Mobilization and Reconversion, calling upon his long service as a Representative and Senator for guidance, has offered a complete plan.

There is a fear in Congress that the cry of "Rubber Stamp!" will arise again, though the legislative branch is no long-

er in such a mood; that Congress, under the present system, will become more amenable (the word "more" is theirs) to pressure groups (meaning those within as well as outside the Government itself). Grounds for this apprehension are made official in the findings of congressional investigation just outside its own doors. The select House committee investigating executive agencies put it this way:

"Today a large percentage (some members put it as high as 90 per cent) of the most important legislation which Congress passes does not truly originate there. In fact, a large percentage of so-called administrative measures are drafted by the very officials who are to receive the powers which the legislation delegates.

"Furthermore, these same officials are generally the only expert and fully informed witnesses to testify before the

congressional committees having jurisdiction over the proposed bills. If there are opposing witnesses, they do not, as a rule, represent the Congress or the people generally, but rather some special interest group."

The committee then observed:

"It may well be added that the scales are not only tipped in favor of the passage of all administrative proposals, they are also heavily weighed in opposition to any congressional move to retract and recall powers previously delegated to executive agencies and officials. Nor, in case Congress disagrees with the Executive, are there adequate means of developing the constructive congressional program to meet the problem in question which the American form of government certainly contemplates in such instances."

Independence limits reform

THE many previous attempts at improvement, it is conceded, have been blocked by the frailties of Congress itself. One obstacle has been the question of Senate and House prerogatives and prestige. The present movement, under the Maloney-Monroney resolution, appears to have swept this barrier away. It prescribes that one house cannot play with the rules of the other. This, of course, will limit the scope of the committee's recommendations, but there is hope in Congress that it can work out proposals so practical that each house will readjust its own rules.

A handicap to full reorganization planning was injected by the (14-member) House Rules Committee when, before it released the Maloney-Monroney resolution for floor action, it provided that the final report be filed not later than April 1, 1945. It would take at least twice that long, many contend, to do an efficient job.

To point up the present urge for congressional reorganization one has only to proceed on the premises provided by members in general. They list faults, not destructively but with hope that they will be corrected. Among them:

Outstaffed by experts in all legislative lines by the executive branch, Congress finds itself yielding on issues and in cases where it could otherwise assert the independence and initiative it craves.

Congress lacks the facilities to get adequate information upon which to base its decisions; hence, legislation and appropriations are not checked as they should be; avenues are open to extravagance, and there is danger that Congress will find it difficult to recapture the powers it delegated during the war and peacetime emergencies.

Members of Congress, particularly in the Senate, are assigned to so many committees and subcommittees, standing, select and special (some conducting hearings simultaneously) that a proxy is taking the place too frequently and too regularly of an informed Senator or Representative when votes are cast and recommendations are made.

The traditional seniority system is freezing out of Senate and House conferences, where differences between the two

houses are bargained into compromise, members who, though lacking seniority, might force wiser enactments.

So Congressmen representing all shades of political and legislative opinion—New Dealers, antis, conservatives, liberals of all temperatures, and newcomers who have been surprised at what they have found—all want a better Congress.

They want to improve the relationships between the Senate and the House, and between the whole Congress and the executive branch. Congress, they hold, should be the source of legislation and of law. It should conceive legislation, not merely vote on it. They agree that Congress should have suggestions, from the executive branch, from the people generally—and that includes the "professional" and "spontaneous" lobbies. But, they add, Congress should be equipped to know which suggestions are in the interest of the whole and which are not.

One corrective suggestion, almost ludicrous in its simplicity, is that each member, voting one appropriation, be apprised of the total he has voted to appropriate during the session up to that moment (and how much of it was for the prosecution of the war and how much for nonwar projects in which he had a particular political interest). As it is, the member usually gets his totals after the session has ended.

Too much information

CONGRESS really does not lack information. It is inundated by it, but does not always know what kind it is, and is too bound around with procedures, organizational handicaps, errand-running and mail-answering chores to find out. While it lacks staffing by specialists, responsible only to Congress, to guide it, it is surfeited with declarations, justifications, charts, tables and other formidable data prepared by experts working for those who want the legislation or the money.

Yet members approach reorganizational studies gingerly. With staffing one of their major problems, they know that the recommendations to come will call for appropriations to bring expert talent into their branch, and this after they have recently increased their own allowances for clerk hire in an effort to keep abreast of their office routine. They know that stories that Congress is out to spend money on itself again to lighten its burdens are bound to result. For orientation, members plead, let it be recorded that it costs the taxpayers less than one-half as much to legislate each year as it does, for instance, to operate the Office of Indian Affairs—\$13,000,000 for the direct writing of bills into law by Congress; \$27,000,000 for the braves.

Back in 1910, congressional veterans recall, their daily mail (made up largely of requests for free seeds and pleas for pensions) was reasonably heavy when they got a dozen or 15 letters a day. Now the correspondence is nearer 100

communications a day—many of them by wire—with most of them urging or demanding the performance of a definite chore, usually involving an errand to an executive agency. The number jumps to thousands when big measures are under consideration.

The committees are the "workrooms" of Congress. Experience made them necessary, but practice has built up so many workrooms that they compete with one another, overlap functions and demand so much manning that members dash from one hearing room to another, seldom remaining long enough to absorb whole programs. The situation in the Senate, with only 96 members, as against 435 in the House, has become most acute.

A case in point is that of the late Sen. Francis Maloney of Connecticut, cosponsor with Rep. A. S. (Mike) Monroney of Oklahoma, of the reorganization resolution. Mr. Maloney was on the Senate Appropriations Committee and on five of its subcommittees, including those covering grants to the Army and the Navy. He was a member of the Banking and Currency Committee, which handles problems concerning the domestic economy, and was chairman of one and a member of four of its subcommittees dealing with particular bills. He was on the Committees on Commerce, Immigration and Public Buildings and Grounds. In addition, he was chairman of the special committee investigating domestic gasoline shortages, was chairman of the special Petroleum Resources Committee looking into international supplies and agreements, and an active member of the Small Business Committee, busy with its jobs-for-60,000,000 budget recommendation, and in the reconversion program.

Meetings often overlap

A SENATE or House member, checking his schedule in the morning, finds frequently that two or more of the standing committees of which he is a member are meeting simultaneously, while his presence is also sought at a hearing of an investigating committee of which he is a part. He rushes in and out of hearings, or sticks to one and misses the rest.

Then, if he is to be kept reasonably informed, he must get transcripts of the missed sessions and read them as opportunity allows, usually at night or on Sunday. But this, they say, is not satisfactory. There are many gaps in testimony, many points that could have been clarified with further questioning. Also, a great deal of the information which Congress seeks, and gets, these days, is "off the record," and given only to those who are present.

In the multiplication of special committees and subcommittees set up as new problems arise, functions naturally overlap. At one time early in the war a half-dozen committees and subcommittees were concentrating upon the problems of the organic organization of the production program. Five others were

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King Coal Expands His Empire

By CARLISLE BARGERON

RESEARCH has taught our most lavish natural resource new tricks, from curing the sick to making clothing

THE WAR has shattered the thrones of almost all the world's kings. But one—that of King Coal—is on a firmer foundation than ever. When peace comes King Coal will surely occupy a major seat at the Peace Table, along with petroleum.

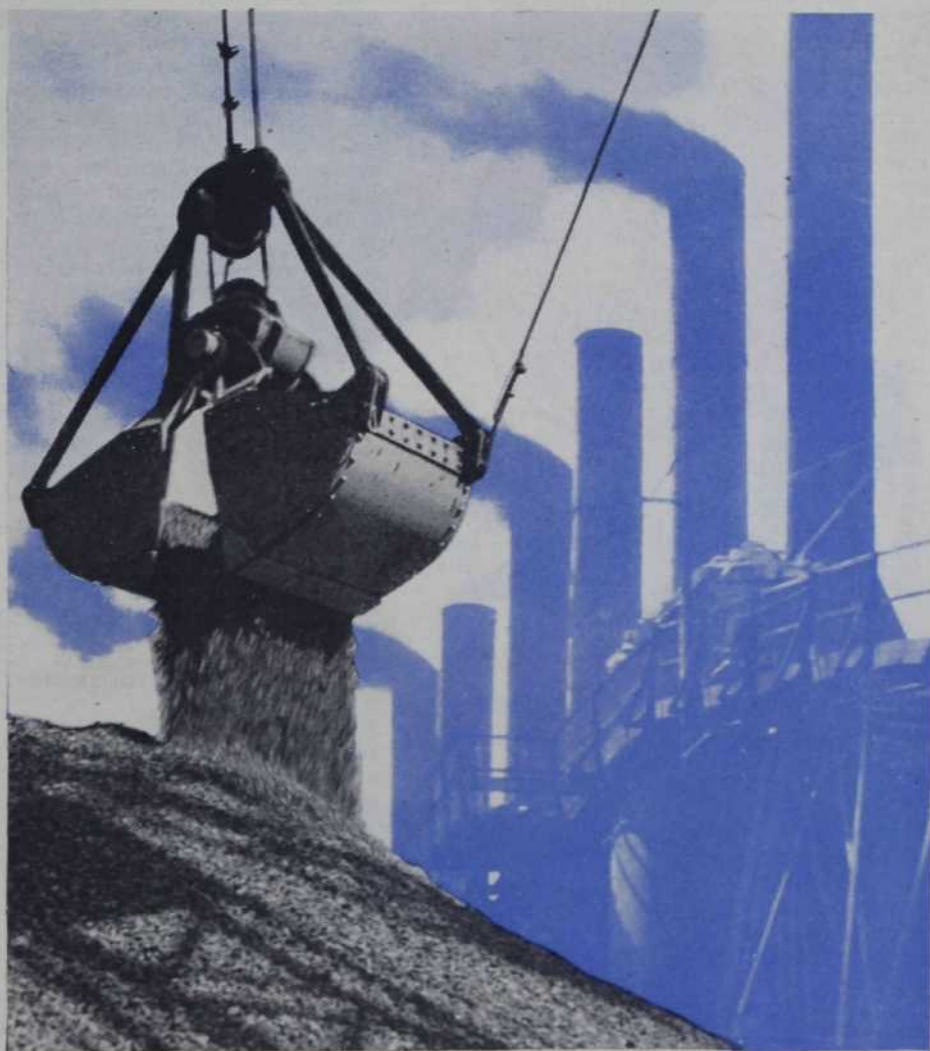
Government statisticians have called attention to the American people's immense dependence on coal. They tell us it comprises 98.8 per cent of our fuel resources. There is controversy about how long our oil and gas will last. But, according to the Bituminous Coal Institute, our coal will last 3,000 years. We started with more than 3,000,000,000,000 tons of bituminous and, in 200 years, have extracted barely two per cent. Figuratively, as well as literally, we have coal to burn.

Coal in the United States, and in other countries possessing it, is the rock-bottom foundation of industry. We lead the world in steel because of it. It nurtured the growth of our railroad empire. More than half the nation's homes get their warmth from it. From bituminous coal comes 55 per cent of our electric power.

Unlike the United States, Europe's coal economy has much to do with export. In the last year before the war started in Europe, England provided 38 per cent of the world's coal export, Germany 27 per cent. We had a bare ten per cent, most of this going to Canada to supplement English shipments. Oddly, in that year, 1938, Canada landed some coal at Boston. The total 1938 export of world coal was 115,000,000 metric tons.

An export market now

IN THE immediate future, the United States may increase its coal export percentage. European nations, hitherto dependent on Germany, also nations whose mines have been temporarily destroyed by Germany, may partially depend on us. Newspaper correspondents recently made cable copy of United States coal arriving in Rome almost



GENOUREAU AND RITTAGE

Last year 415,000 miners broke the coal production record that had taken 615,000 to set a quarter century ago

alongside the train that bore Secretary Stimson there.

But a few years hence, when order is restored in Europe, we will go back to our knitting, which winds around the fact that American business is dedicated to the proposition that both the coal producer and the one who uses his product should profit. On United States railroads and in United States ships it is uneconomic to send coal on long hauls. The United States is the only coal producing nation which does not subsidize its coal production. Even Canada subsidizes Nova Scotia coal used in Toronto.

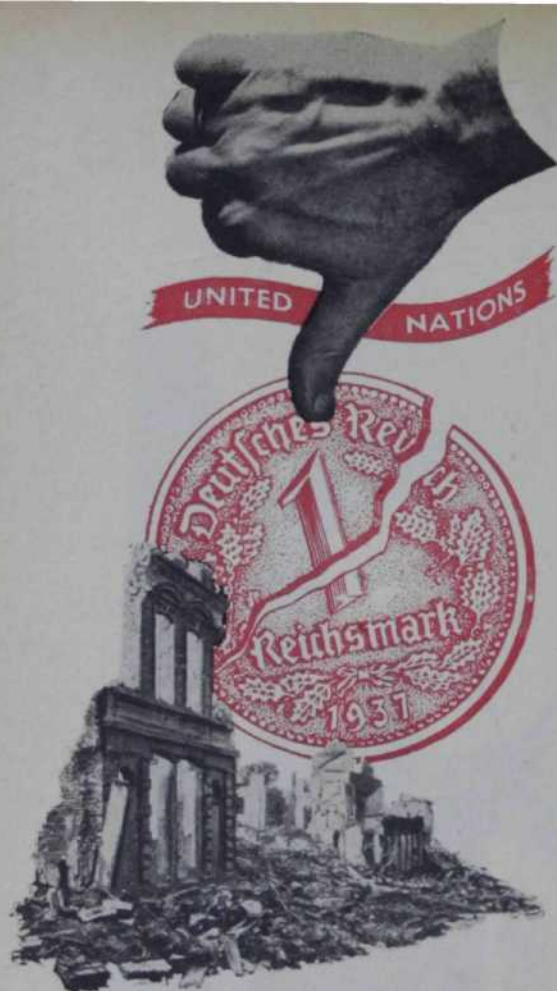
Our coal industry has been through some grave economic periods, notably since the close of the first World War

but, because of research, it is now believed to be on the march. During the depression, producers faced conditions squarely. If the mines were not to be nationalized or subsidized—and neither plan is desirable under the American system—coal needed to widen its old markets and find new ones. Cooperation came from the United States Bureau of Mines and from the research department of the United Mine Workers.

It is mostly the big producers, few in number but great in tonnage, who support the research. Advancements in combustion knowledge border on the phenomenal. In 1900, 7.05 pounds of coal were required to generate one kilowatt hour of electricity. Twenty years later

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How the World's



Ravages of war and inflated currency will ruin German industry

ALTHOUGH Germany's sudden demonstration of power on the western front has raised no question about the ultimate Allied victory, it has increased the concern of those who have been discussing "What to Do with Germany" when peace comes.

Impressed by the German drive, many persons are more certain than ever that we must take strong measures to prevent a German economic comeback and also compel Germany to discard self-sufficiency as a means to prepare for World War III.

It is well that we should be cautious. We must leave no gaps in the postwar political and economic structure through which future Hitlers may wriggle.

And yet, no matter how long the Nazi military leadership can prolong the war, we must be practical in our appraisal.

Ungrounded fear of Germany's capacity to try it again can be as costly and disruptive as was our ungrounded complacency before 1939.

A clearer understanding of a few basic facts about Germany's economic status during the interwar period and about the probable state of the German economy at the time of surrender may help us decide on our course of action and its implications.

One of the surest things in this uncertain world is that the time lag be-

tween Germany's military surrender and economic collapse will be brief. There may be some difference of opinion as to which will come first, but hardly as to the fact itself. If a collapse on the military front is not caused by economic exhaustion and chaos, it is certain that, as soon as the German army surrenders, the German economy will cave in. The reason for this certainty is not difficult to discover.

It is safe to state that, in no modern country, has the war absorbed practically the whole economy as it has in Germany. Even the U.S.S.R. can devote some share of its vast resources to reconstruction even while the war is still going on. But Germany is too poor and harassed to start rebuilding. Moreover, the German economy is organized and centralized for the one purpose of conquest.

Too big a war machine

AFTER surrender, Germany will face not only the enormous task of physical reconstruction but also the immediate problem of breaking up the tremendous organization built up for the single aim of war.

It must be realized that, in sacrificing the whole economy to their political and military objectives, the Nazi leaders and probably most of German business were counting on a victory that would place the economic resources of Europe and a part of Africa under German control. German private business would, then, be given an opportunity to recoup its fortune in the satellite countries, in addition to replacing the British and the Americans in the markets of the world, particularly in Latin America.

Viewed from that angle, the war demand on the German economy did not seem unreasonable and German business probably considered it a good gamble.

Among the factors responsible for the prevailing misconception, especially in the U. S., regarding Germany's postwar economic position, two deserve particular attention:

One is the assumption that Germany made a relatively quick recovery after the First World War. The other is that, as a result of that alleged recovery, Germany was still exercising a dominating economic influence before the present war, and that, therefore, Germany's postwar recovery is absolutely essential for the recovery of Europe, if not of the

world. These two assumptions account for the inconsistencies and the contradictions that characterize so much of the current discussion of postwar policy toward Germany.

As a matter of fact, Germany, in spite of the flow of foreign—chiefly American—capital during the first decade after Versailles and the reconstruction of the heavy industries through inflation and the sacrifice of a good section of the middle class, never recovered the relative economic position she occupied before 1914.

This becomes quite clear when we consider the basic character of the German economy under normal conditions which the First World War did not change substantially. Besides a highly developed, but nevertheless artificially maintained, agriculture which almost suffices for the German population—with the exception of fats, tropical and semitropical products and fodder—the German economy is based largely on industries engaged in converting foreign and domestic raw materials into manufactures, a large share of which is exported to pay for the raw materials and foodstuffs for domestic consumption. Additional income came from services, such as shipping, transit trade, financing and licensing of patents. Thus German economy implied a high degree of international division of labor and multilateral trade transactions.

In 1913 Germany exported about 30 per cent of her total manufactures. (In 1928, when a number of postwar factors had weakened the capacity of the country, the proportion was still more than 24 per cent.)

Needed goods were traded

GERMANY did not—as the U. S. did—export a surplus after an extensive domestic market was satisfied. Export was a necessity. It had to be carefully planned by highly specialized export industries, assisted diligently by trade associations or cartels, highly specialized shipping and banking and energetic commission houses. Such, in brief, was the situation of the German economy before 1914.

After the First World War, Germany tried to resume her normal economic relations under many handicaps including territorial losses involving the loss of raw material sources and processing facilities; a shortage of capital; disastrous inflation; a certain loss of good will and business connections; a loss of shipping and a higher cost of production. To these were added the political difficulties accompanying the new re-

Biggest Gamble Was Lost

By L. G. DILLON

AS HER industry never recovered completely after the 1914 war, Germany is likely to be in economic stagnation after this one without special punitive measures

gime and the Allies' attempts to collect reparations. As a result, Germany's participation in world trade declined.

For some years the flow of foreign, chiefly American, capital covered up this decline in the country's economy. This capital helped pay for the necessary raw materials and foodstuffs, and also enabled some of the basic industries, like iron and steel, to "rationalize" and catch up with American industries.

Since German credit was not of the highest, the cost of "rationalization" was rather high and the results not always well adapted to German conditions. Thus some of the German industries were loaded up with high overhead and some important concerns had to write off a part of their capital before they could compete.

Later on, exchange restrictions and the repurchase of securities at bargain prices from their discouraged foreign owners cut down the high overhead.

As an exporter during the interwar period, Germany was also handicapped by the change in the character of the Russian market and the development of certain industries, notably the chemical, in countries which formerly depended largely on German products.

Despite the unfavorable circumstances of the interwar period, Germany was gradually recovering her industrial productivity, but not her prewar rela-

tive standing. According to a comprehensive German study, German industrial production in 1922 was 71 per cent of prewar. During 1924-'29, industrial production increased 50 per cent, but Germany was losing out in comparison with certain European countries and with the United States. While in 1913 the German industrial output was about 36 per cent of that of the United States, in 1929 it was only about 29 per cent.

It is significant that Germany did not occupy a leading position in some of the new industrial developments of the interwar period, with the result that her share in exports of new products was relatively small. This applies to such important products as automobiles, radios and electric refrigerators. Even in the case of rayon, where her technical contribution was important, Germany was not much of a factor in the export trade.

Another significant characteristic of German industrial development during



The economy of Germany poured its lifeblood into the war machine with the expectation of rejuvenation from the pillaged industry of conquered territories

the interwar period is the strong stimulation of the heavy industries, at first as a result of their political influence and their access to foreign capital markets; later, through open government encouragement, probably with a view to their part in implementing the policy of military aggression.

On the other hand, the lighter consumption industries were in many instances lagging behind, either for lack of competitive capacity or because of change in market demand. Toward the end of the interwar period and during the war many of the small and medium-sized concerns were closed down as unessential to the war effort; in some cases their equipment was transferred to the more essential plants.

Export activities of many German industries had to be supported by subsidies derived from levies on the more competitive industries. Even during the war, when the heavy and other essential industries are running full tilt, the iron and steel industry has complained that the unremunerative prices for the crude metals could be borne only because of the profits made on the products of higher manufacture.

The depression and the advent of the Hitler regime brought some revolutionary changes in the German economy. During the depression, German industries underwent no excessive decline, as compared, say, with that of the United States, but Germany lost her rank of second industrial power to the U.S.S.R. The Hitler regime brought about a spectacular increase in industrial productivity, but it was accompanied by a gradual isolation of the German economy from the most important world markets and an absorption of a large part of the industrial facilities by the uneconomic production of synthetic and war materials. Foreign trade was relegated to the function of supplying the raw materials and foodstuffs essential for rearmament and was shaped for that purpose by means of clearing agreements, various controls and export subsidies.

The Nazi regime intentionally diverted the German economy from its traditional channels. The country, whose entire economic existence depended on the closest ties with the world economy and the utilization of the most advantageous sources of raw material and foodstuffs, was forced to adopt virtual self-sufficiency as a national policy. This revolutionary step could be explained only by the abnormal political atmosphere of the period. Later on, and especially after the outbreak of war, it became clear that the Nazi regime had not counted entirely on German resources. As a result of the gradual economic isolation of Europe intensified during the war by the Allied blockade, Germany managed to obtain possession

of the lion's share of the resources of the Continent and of North Africa.

Temporary advantages lost

THE spread of conquest and occupation brought in additional supplies of foodstuffs and raw materials, partly without payment as war booty, or so-called cost of occupation, partly on terms involving an arbitrary rate of exchange between the mark and the currency of the occupied country, with the odds in favor of the conqueror.

As the war progressed, and particularly after the unfavorable turn in the military situation, trade relations with those countries which it was considered impossible or unwise to exploit by military compulsion became more complicated and less advantageous to Germany. German industry was fast losing

gested in a comparatively recent speech that the clearing debts of Germany should be converted into a long term loan, with the participation of the whole European Continent. But the arguments did not prove convincing and the flow of materials from southeastern Europe and the neutral countries had begun to decline substantially, even before the military situation practically eliminated those countries as sources of supply for the German war machine.

It is obvious that prolonging the struggle will merely result in a further exhaustion of German resources.

It now remains to consider the state of the German economy at the time of surrender.

According to reliable press reports in a neutral country that has good facilities for observing conditions in Germany, more than 20 cities, with a total population of more than 10,000,000 have been sufficiently destroyed to need practically entire rebuilding. There is reason to believe that the principal ports will need considerable repair before they can begin to function. The same is doubtless true of the merchant marine, railways, railway stations and probably the canals.

German heavy industry, in addition to the serious damage by bombing and fires, will be weakened from the transfer of some of the plants and equipment to Silesia, Czechoslovakia and other parts of Europe which are not likely to form a part of the territory of postwar Germany. It, therefore, seems safe to assume that the German physical plant, interpreting the term in its broadest sense, will be in a decidedly weakened condition and that it will probably be some years before it reaches the state it was in when Hitler took over.

As for the country's finances, the national debt already exceeds 300,000,000,000 marks and

most of the reserves of the banks, insurance companies and industrial corporations consist of government obligations whose value after the collapse of the Nazi regime is not likely to be very substantial.

It should not be forgotten that, after the First World War, it was the big German corporations and banks that took the initiative in obtaining outside financial assistance. Their credit standing after this war will have been undermined to a considerable degree.

Little need be said about the economic implications of the tremendous loss of manpower for an old country like Germany.

Now as to the chances of Germany resuming her position in the world trade: From present appearances, and considering the tremendous reconstruction problems that will face a good part of the world, it is obvious that, for some

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"Butter-fingers!"

its capacity to provide exports, transportation facilities were getting worse and a number of countries were showing deep concern over the growing blocked mark balances. They began to curtail their exports and some of them, encouraged by the military progress of the United Nations, practically cut off trade relations with Germany.

At first the German authorities tried to overcome this movement by statements designed to explain Germany's inability to achieve a trade balance. They also called attention to the benefits of mark balances as a claim on priorities on German manufactured products after the war, when a victorious Germany presumably would be able to devote her entire industrial facilities to providing a high standard of living for the *Herrenvolk* and a generous allowance for the creditor satellite countries.

Minister of National Economy Funk was even more unrealistic and sug-

Lo! The Poor Indian Bureau

By HERBERT COREY

JOHN COLLIER is a smallish man in loose clothes. His eyes are bright as an eagle's. He has a way of coiling his legs into a kind of a nest in which he can sit in his swivel chair. At a short distance he seems to be meek.

No one ever makes that mistake twice.

He is courteous and kind. He rises when a woman enters the room. He is the product of old-family breeding in Georgia, plenty of good schooling, and sympathy for the underdog. He spent some of his earlier years in promulgating reforms. Then he began to get really acquainted with the Indians. His grandfather, a southern pioneer, had a hand in chasing the Cherokees out of Georgia:

"A damnable crime," Mr. Collier observes. A by-passed comment leads the other man to conclude that the young Mr. Collier had been fond of his grandfather, which can be excused because the younger Collier was very young, and that he is still embarrassed about the old gentleman's operations.

He began to look into the affairs of the Indian Bureau (now the Office of Indian Affairs) in the late '20's. An examination convinced him that the Bureau was spending too much money for what it was doing. The Bureau then had 4,000 employees and a budget of \$10,000,000. Albert A. Grorud, special investigator for the Indian Affairs Committee of the Senate, helped Mr. Collier write a speech for Senator King in which these extravagances were furiously exposed. It was in this way that Mr. Collier in 1934 became the chief of the Bureau of Indian Affairs, located in the Department of the Interior under the bristling wings of Secretary Ickes. Since Mr. Collier became chief, the Bureau has spent \$34,000,000 in one year. The current appropriation is \$26,000,000. This Office now has 12,127 employees. Even the War Production Board has only 12,586 and it is on a sharp decline. The WPB pay roll may drop to 12,000 this year. We fought the Indians with energy and success for more than a century, but it appears to cost about four times as much today to live with a much reduced number of Indians in loving kindness.

These things seem to suggest that the

Indians and the Bureau are one of the mysteries of life. Before making up a verdict against Mr. Collier and his Office, however, it should be noted that each year he faces the appropriations committees of the House and Senate and asks for money. The committees are, by and large, rather hard-boiled. They know the bureaucratic trick of asking for more money than is needed so that a considerable discount may be offered for cash. They beetlebrow at Mr. Collier and ask tough questions. Not so far in the background is Mr. Grorud, still the special investigator for the Senate committee, although no longer the warm admirer of Mr. Collier that he was 15 years ago. He feeds questions to the committee. Mr. Collier—it has been noted that Mr. Collier is long suffering only to a certain point—replies to the questions and walks off with the money he asked for. Or most of it.

Congress too busy to check

THE committeemen—both houses—remark that this is a busy season and that next year they will really go into this business about the Indians. All of which is being submitted mostly as evidence that Mr. Collier really is not meek.

And as preliminary proof that the Indian business is a sure enough mystery.

Those who mourn Mr. Collier's methods—and you would be surprised—admit that he is trying to untangle a ball of administrative string that political cats have been playing with ever since we sold the Indians the first scalping knife. Three hundred treaties have been entered into with the 200-odd tribes and most of them run for perpetuity. A girl clerk in a government department was paid a yard and a half of calico last year as her share of the calico yardage one



COMMISSIONER of Indian Affairs, John Collier acts as guardian for the Indians. Some think they might better take care of themselves

of the New York tribes get each year. The Choctaws have been drawing money ever since 1820 for the support of a troop of light horsemen, and \$600 a year for the upkeep of a blacksmith. Another tribe gets 400 saddles and bridles annually. The saddles are transmuted into money now, inasmuch as the members of this tribe are more used to automobiles. Another gets \$320 worth of iron and steel. And so on and so on. The money involved is not large as sums go nowadays, but the bookkeeping does take time.

Then there are 3,000 statutes affecting the Indians. Federal and state statutes. Some of them have been forgotten, but they are on the books and at any time some sharp lawyer may dig up one of them and start proceedings. Today's Indian is a citizen with full voting rights in all but two of the states. When Indian lands are in reservations the Indian pays no taxes on them, but he does pay other taxes. If you have an Indian friend you offer him a drink at your great peril. There are in Washington thousands of men and women who

have been guilty of felonies because they gave whisky and other alcoholic fancies to congressmen who have a shade of Indian blood. They should not be reproached, because no one has yet discovered just what is an Indian.

The enumerators of the 1940 census were directed to enroll as Indians those who had one-fourth or more of Indian blood or "who are regarded as Indians in the community where they live." That makes it nice.

Guesses for high appropriations

THE number actually enumerated in 1934—this is when Mr. Collier came in—was 234,792. But Mr. Collier estimates that there are about 400,000 Indians on the rolls today.

Senator Thomas of Oklahoma says that there are nowhere near 400,000 Indians in the United States today.

"In any case only a small proportion of this number is in any way dependent on the Bureau. The grand total of 400,000 has been built up in the past ten years by estimates, just to make the appeal for appropriations more impressive. More than 100,000 Indians have been added in the past ten years. It is certain that the Indian Bureau has no effective contact with half of the 400,000 and no right to claim them as justification for increased appropriations."

Nor does any one know just what an estimated Indian may be. Chief Justice Welch of the Oklahoma Supreme Court, who is classified as an Indian by the census, offered to produce tribal rolls showing that at least one half Mr. Collier's estimated Indians have not more than 1/256th part of Indian blood. The Indian is a friendly person, when he is given a chance to be, and readily adopts strangers into the tribe if he happens to like their looks. When the Five Civilized Tribes in Oklahoma made up their tribal rolls in 1902 there were 20,000 white and colored persons placed on the books. No one knows how many non-Indians have been added as Indians to the rolls of the 210 tribes, nor what has become of them.

Before getting the needle ready for Mr. Collier it must be noted that he is merely following the 3,000 laws of every sort. Congress has never prescribed any definition of the Indian. Off-hand it would seem a good idea to change the laws, or to modify them, or repeal them. At this point in the mystery it is discovered that, in changing laws which have an effective history of more than a century, troubles are likely to be encountered. Under a recent decision of the Supreme Court, as shown by a letter written by Secretary of Agriculture Wickard:

"Every record title to real estate in which the grantor happened to be a full blood Indian is clouded, if his conveyance was

made since 1933. Regardless of whether the property were located in Maine" or any other state. The national and state legislatures are naturally chary of doodling with laws when there is so formidable a chance of unpleasant consequences. At the time of writing, the 40,000 white residents in Alaska are wondering what may happen to their titles. When Russia sold Alaska to the United States, the aboriginal rights of the Indians were not impaired. Since then salmon fisheries have been set up, gold mines discovered, timber cut, railroads built, and the Indian rights continue to be unimpaired, even if they have not been exercised in great part. Mr. Ickes now suggests through the medium of a bill introduced by Senator Hatch of New Mexico, that Congress work out some method of buying off the Indian claims for the good of all concerned. If the bill should become law it would presumably be administered by the Interior Department, through the instrumentality of the Office of Indian Affairs. If it worked, the Alaskan titles would be cleared. But Mr. Ickes is not invariably a pet of Congress—even if he is not as frequently set upon as occasional publicity suggests—and Congress may not allow him this new power.

Therefore the legal situation would remain as is, just as most of the 3,000 statutes remain with all their inconveniences.

In the meantime, and before passing on to Mr. Collier, who is sitting, coiled up, at the heart of these mysteries, there is a school of thought which maintains that the way out of the mess is to cast the Indian loose. Let him vote and pay taxes and sell his lands and even get plastered if that seems to suit him, on precisely the level of the Browns and

Robinsons who enjoy the same rights. The tribes would soon dissolve, they say, and with them the 300 treaties.

If an Indian were no longer to be treated as a museum specimen then he would have the same privileges and the same troubles as the rest of us. During the Second War—as well as during the First War—the Indians have been magnificent soldiers. Many have been decorated for acts of gallantry. Their scouting in the Pacific jungles has saved many lives.

When they are given a chance they get along all right at home. They have been permitted to operate cooperatives and stores and lending institutions, and it is Collier's judgment that they are not only as honest and far-seeing as the white man, but that several of the tribes, being inquired into scientifically, have proven that they test higher intellectually than the rest of us.

The Indians do well

"THEY have to be smarter," says Collier. "Look at the conditions under which they made their living."

They are probably heathen. Many of them are, at least. Rain Gods and Snake Gods have no recognized place in our theology. But they seem to do pretty well with their deities, just as they do with their law-enforcing methods. They rely more upon the force of public opinion than do the rest of us, but when something really annoying takes place, the tribal councils deal with it. In most states they are permitted to manage their own affairs, so long as no one of the ten major crimes is involved. Mr. Collier agrees ardently with those who maintain that the Indian should be freed from government control and tutelage. It would save money. The Indian Bureau could be done away with, just as he argued away back in 1934.

Only he argues that time is not yet ripe to do any such thing. The Indian must be guarded and schooled. Mr. Collier has been doing a good job at these things. From a governmental point of view most of the Bureau's expenditures are classified as institutional. In 1944 education cost \$10,474,650 and health \$6,232,300, including Alaska (Budget Bureau figures). This was a total of \$16,706,950 out of the appropriation of \$27,257,586, and not including the various expenditures made by the bureau of Public Works. For the balance of \$10,550,636, Indians are carried along from the birth bed to the undertaker's coffin. Their animal assets, with the aid of the Bureau, are 344,895 beef cattle worth \$21,731,355, and their 889,774 sheep are valued at \$5,809,332. They consumed in 1943 animal products valued at \$5,813,000, and sold \$13,960,000 worth. These are in-

(Continued on page 69)



What's this new word

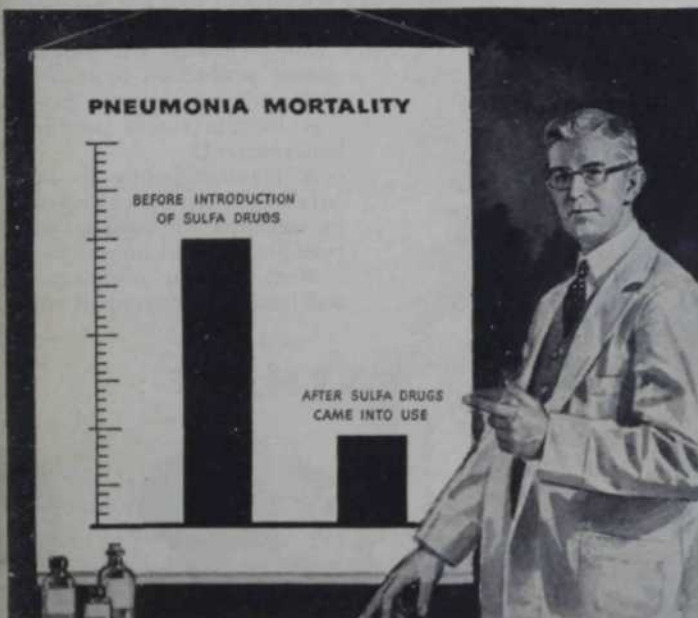
"Chem' o' ther' a py?"

Medical science is full of strange and unusual words.

One of the most exciting is "chemotherapy." As it may mean a lot to you—you might like to know more about it.



1. Many of our badly wounded soldiers, sailors, and marines owe their lives to new drugs...sulfa and penicillin...which have had spectacular success against perils like gangrene, terrible burns, and blood poisoning. Chemotherapy—which takes advantage of the effects of chemical action upon body tissues and invading bacteria—is ages old in theory. But its modern, most effective practice began soon after 1900 with the discovery of salvarsan.



2. For the 20 years after that, research brought no striking discoveries. Then a strange chain of events revealed that a patented dye possessed a life-saving element. And so, the sulfonamide drugs were made available to the world. In the less than ten years they have been in common use, they have saved countless lives. Some forms of meningitis, streptococcal infections, and other dread diseases, including the common forms of pneumonia, have met a powerful adversary.



3. You know the dramatic story of the next discovery, penicillin. Although not strictly a chemical, it attacks some of the same germs as the sulfa drugs—and others against which these drugs have little or no success. But the search for other "specific" chemicals is far from over. Medical scientists constantly seek to improve existing ones and find new germ-fighting elements. There must be long and careful experiments for each discovery, for sometimes the "germ-poison" is poisonous to the human body, too.

4. But chemotherapy is no cure-all. Because it does so much to reduce the deadliness of some of our worst diseases, some people may expect it to perform miracles. It must always be remembered that these chemicals should not be used without sound medical advice, otherwise there may be detrimental results. But chemotherapy, rightly used, is a tremendous gift of medical science to our civilization.

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On request, Metropolitan will gladly send you enlarged copies of this advertisement for posting on the bulletin boards of your plant or office.

Shield Against Health Hazards

By C. LESTER WALKER

PRIVATE companies protect 40,000,000 persons against accident and sickness—and the coverage is increasing

EIGHTY-ONE years ago when an insurance company in Hartford issued an accident contract protecting a local citizen in his travels "from the Post Office to his home on Buckingham Street," no thrill of discovery shook the insurance business.

The premium payment was only two cents, and accident or health insurance was too risky to handle, anyway. Everyone who knew insurance knew that. Or if he had any sense he did. Probably not five insurance experts in the country in that day would have bet on the future of the accident business.

But that first accident contract was the harbinger of tremendous things to come. Accident and health is now the fastest selling number on the insurance companies' shelves—both in dollar volume and in number of persons insured.

In 1943, premium volume totaled \$500,922,039. Early estimates for 1944 put it well over \$525,000,000.

Twenty years ago only a handful of companies were writing health and accident. Today more than 400 share protection on 40,000,000 citizens. This wide acceptance is a surprise to many American business executives.

"I never dreamed of the job the private companies are doing," one said to me. "The Beveridge plan in England and the Wagner bill, recently proposed in Congress, for federal health and accident insurance led me to think that perhaps governmental protection was needed. But 40,000,000 persons already covered by private companies! Whew!"

These figures are significant in terms of this country's future. They may indicate that the private companies are doing the job so well that compulsory government health and accident insurance—despite the intentions of the Wagner bill—will never be necessary here.

To view that possibility, suppose we take a look at health and accident insurance over the past few years.

In general, health and accident insurance is divided into personal and group.

The personal is the kind you buy for yourself. The contract is between you and the company. It takes a higher rate than the group type, because the risk is greater and the cost of selling higher, but its growth in recent years has been miraculous.

One company alone has 1,235,000 policyholders, and paid \$12,311,150 for claims in 1943. It has disbursed, altogether, more than \$120,000,000 to more than 1,000,000 policyholders.

Companies are proud of the variety

of their coverage. They believe no government insurance plan could ever match their widespread service.

"We make up policies to cover almost every need for every individual," an executive said. "Our company alone writes more than 1,000 forms."

Here are some examples of versatility:

A policy which will continue your loan payments if you are disabled. The policy is issued for this one purpose and is assigned to the policyholder's bank.

A policy which will pay \$50 if a baby is born, and \$100 if there are twins.

A policy which enables a newspaper to offer accident protection to its subscribers for a penny a day.

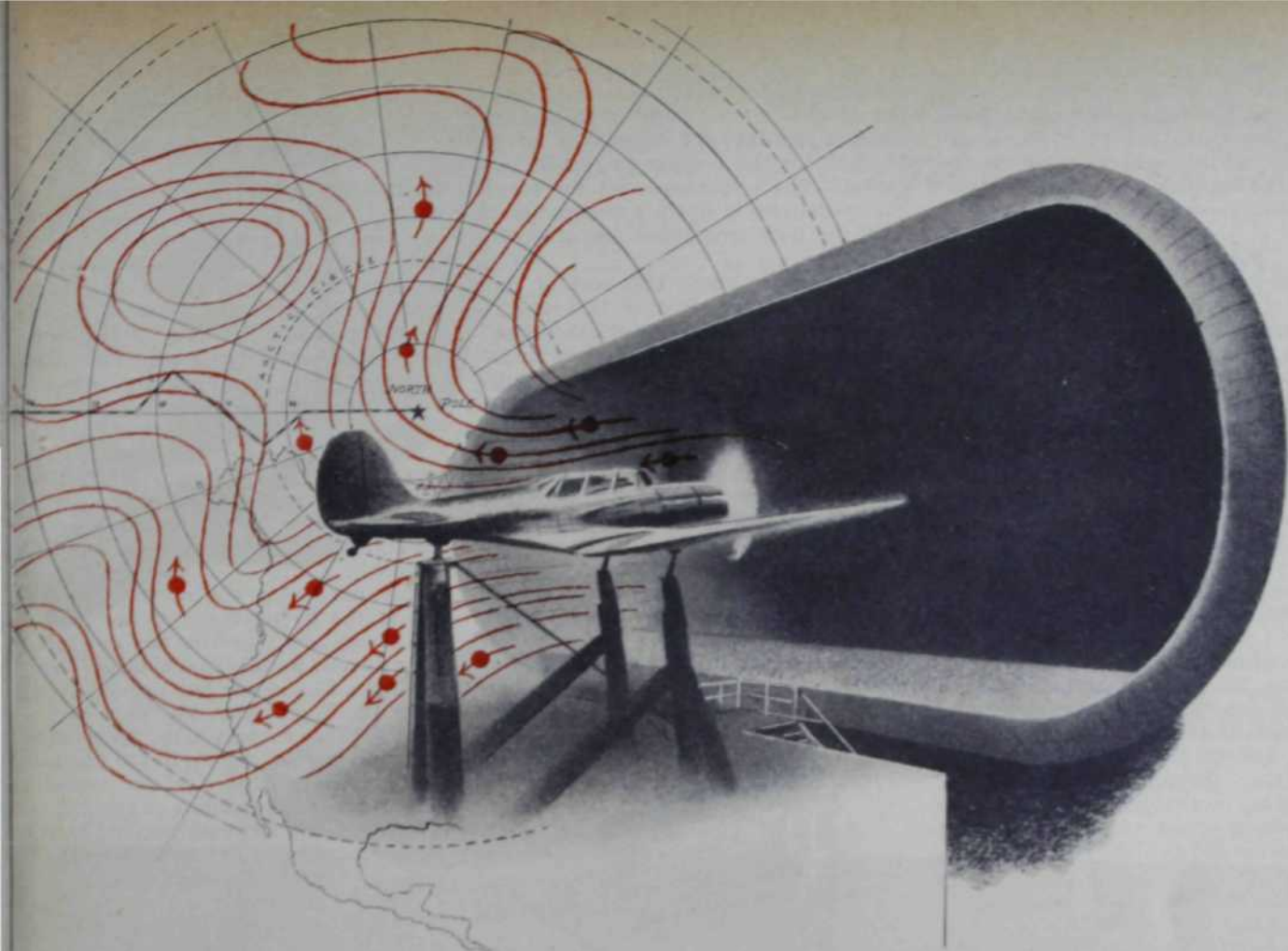
A bicycle riders' accident endorsement.

A blanket policy to take care of broken bones and other mishaps for sportsmen—polo players, ski jumpers.

Most popular coverage of one health and accident com-



Many health and accident policies are written to continue payments for disability as long as the policyholder lives



WANTED... A SUB-ZERO HURRICANE

Designs for faster, higher-flying planes have been greatly speeded by wind-tunnel tests. By this means, engineers have long studied stresses and streamlining. Today, they are used to solve high-altitude, low-temperature problems as well.

In a recently constructed tunnel, air density can be varied to simulate flying conditions from sea level to 40,000 feet. Temperature of the 400-mile gale stirred up by two huge propellers can be brought down to 67 degrees below zero.

Powering this man-made sub-zero hurricane are two 20,000 hp Westinghouse motors. Each motor weighs 160,000 pounds. Yet speed

must be controlled with the greatest accuracy during the time test readings are being taken.

To work out the intricate mechanical problems involved, Westinghouse engineers co-operated closely with aeronautical technicians. A scheme was finally developed giving the necessary accurate speed control of the giant motors, with maximum energy conservation.

Solving difficult engineering problems such as this is a typical function of W.E.S.—a service that's set up to find the *right* solution for your particular power problems. Westinghouse Electric & Mfg. Co., P. O. Box 868, Pittsburgh 30, Pa.

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HELP YOU PLAN...

A nationwide corps of Westinghouse Engineers offers you broad electrical and production experience gained through years of working with your industry.

These men can give you valuable assistance on product development, rehabilitation of existing equipment, maintenance, material substitution.

Put this service to work on your present problems... let these men work with your engineers in planning for reconversion to postwar needs.



Westinghouse
PLANTS IN 25 CITIES OFFICES EVERYWHERE

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pany is included in the policy which pays a disabled person as long as the insured lives. Since the chances of being totally disabled for more than 15 years are as likely as that your house will burn (an easily comprehended contingency) the appeal of this lifetime coverage is fundamental and widespread.

Payments for life

SOME of these lifetime policies have been paying the insured persons regular benefits for disability for almost a quarter of a century. One insured, disabled by arthritis, has received regular monthly checks totaling more than \$10,000. Another who was injured while swimming within two weeks after taking his policy, has collected, and still collects after 23 years, regular payments. The total now is close to \$27,000.

One versatile company spent much time just before the war developing a policy which would give accident coverage for a 24-hour period for a nickel. The merchandising plan was streamlined, too. The policies, to be sold by a coin-in-the-slot vending machine, would be backed by the company's assets of nearly \$30,000,000. But when war came, the originator of this idea changed his mechanism into a hoist for quick loading of boxcars, and abandoned the insurance-vending plan for the duration.

Big as personal insurance is, group accident and health is even bigger. In group insurance the contract usually is between the insurance company and an organization, such as a business corporation. The master policy is held by the firm, and individual certificates of insurance are issued to each employee.

It is this type which broke all health and accident records in 1943. The companies wrote 37½ per cent more of this business than in the previous year. Almost \$80,000,000 was paid out in claims to about 1,000,000 disabled employees.

These group health and accident contracts take many forms, and it is their tailor-made aspect which appeals to the business man. He can get what he wants in terms of coverage and cost; an insurance arrangement practically made to order for the needs of his employees.

One of them, which went into effect January 1, covers expenses of home and hospital visits, as well as office consultation with a physician for the 1,000 employees of Hoffman-LaRoche, Inc., Nutley, N. J., manufacturers of pharmaceutical specialties. The company bears the entire cost of the plan which provides a daily hospital benefit of \$6 a day for both employees and their dependents plus an additional \$60 maximum for other hospital charges.

The daily benefit is paid up to a maxi-

mum of 31 days for any one disability with no limit on the number of disabilities in any one year. In maternity cases the daily benefit is paid up to a maximum of ten days for employees' wives, 14 days for the company's female employees. The reimbursement for surgical operations is up to a maximum of \$150 for both employees and their dependents.

Enthusiastic about this sort of contract, companies all over the country are taking them up. What are they like? Well, an example of what they might do for the employees of almost any large firm is seen in the plan inaugurated last year by the Lockheed Aircraft Corporation, of Burbank, Calif. This is a modern group insurance plan—one in which the coverage provided by the insurers is exceedingly comprehensive and complete.

Every Lockheed employee who enrolls (and it is a voluntary plan) contributes from 74 cents to \$1.56 a week, depending on his own wage rate. His contribution is deducted weekly or monthly from his pay check. The cor-



Of the 25,000 workers who received applications, 90 per cent signed up in 10 days

poration pays the balance of the premium.

For his weekly 74 to 156 cents every employee, no matter what his pay range, in case of accident or sickness, receives, while off the job, a \$5 daily indemnity, good for 70 days, for hospitalization. Also, a \$25 maximum indemnity for special hospital charges, up to \$75 for medical expenses, and \$150 for surgical charges. In addition, he is entitled to accident and sickness benefits of \$15 to \$30 weekly for three months. If he suffers accidental dismemberment or death, the insuring company pays up

to \$5,000; and similar amounts as straight life insurance for death from any cause.

Pays for the doctor

ANOTHER feature of this plan is its medical reimbursement clause. It provides the employee \$2 for every visit to a physician at office or hospital, \$3 for each visit, beginning with the fourth, for treatment by the physician at the insured's home. Since most group contracts omit medical reimbursement, the Lockheed plan is an outstanding example of the ever-widening coverage which companies now can provide.

They will give medical expense coverage to units as small as a family. One Chicago company, in cooperation with the Winnebago County Illinois Medical Society, launched such a plan last November.

This particular contract is usually sold to the breadwinner of the family and covers him, his wife and one child by its Special Family Combination Plan. This costs \$3 a month and provides coverage of a high order. The insured get up to \$250 on doctors' bills, up to \$150 on surgeons' fees, and up to \$30 for doctors' maternity care. Accident benefits are effective from the date of the policy,

and sickness benefits thirty days after. It covers adults up to 59 years of age, and unmarried dependent children from 18 years down to three months. That the public was waiting for something like this, is shown by the tremendous response accorded the plan ever since its launching.

But what about group insurance for small business? The answer is that the health and accident companies are now taking care of small businesses, too.

Various plans

HERE is George Winship, proprietor of the Middletown Quick Service Garage. One day George gets the idea that it would be a good thing if his employees were covered by health and accident insurance, so they can have income while they're off the job. He has 18 employees. What can the companies do for them, and him?

Well, one mid-west company will insure all 18 of George's employees under a small-group policy. The average premium will be less than \$4 a month. Protection may include both a monthly benefit income during accident or sickness disability and reimbursement for hospital expenses.

George's employees are free to choose how much monthly indemnity they want, each one a different amount if he wishes. Each may elect one of several




POWER

TO PACE THE FUTURE

Here's the drama that comes off a drawing board . . . first of a series of new engines now in service on the East-West route of the Pennsylvania Railroad! Capable of speeds up to 120 miles an hour . . . different in design . . . this long streamlined giant not only marks another forward stride in the science of railroading—it is indicative of the spirit of progress in an industry vital to the welfare of America, now and in the future.

Pennsylvania Railroad

moves ahead 

BUY UNITED STATES WAR BONDS AND STAMPS

★ 50,637 entered the Armed Forces

☆ 524 have given their lives for their Country





SNUG HARBORS MADE DEEPER—BY *Finger-tip Control*

With scarcely more effort than is used in manipulating the strings of a marionette, the man in the cab of this great dredge guides the thick cables and heavy beams that shift the river bed to where he wants it. Versatile, obedient hydraulic power in HYCON high-pressure units gives him *finger-tip control* in actuating enormous power for dredging operations.

HYCON applications of hydraulic power will solve many of the problems of actuating ponderous machinery. By lessening fatigue, they pack the man-hours of labor with greater accomplishment. To enlarge the scope of man's handiwork, they do with ease tasks which are *manually impossible*.

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isms and remote-control circuits. They will operate brakes, clutches and steering devices of heavy vehicles; test high-pressure apparatus; and do many hydraulic jobs better.

Subject to the demands of our continuing production for war, our engineering and research divisions—trained and experienced hydraulic specialists—will be glad to assist you in applying HYCON systems to your requirements for actuating devices. Write today for complete information, or for a consultation with a HYCON engineer.

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Hydraulic Division

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forms of additional hospital and surgical coverage. This is a voluntary plan, and no hard-and-fast percentage of participation is insisted upon. In true democratic fashion each worker chooses what he wants. Then George arranges with the insurance company for the Quick Service Garage to pay a percentage of each premium.

Two of George's helpers, it turns out, might be considered poor risks. One has a heart condition. Another once had tuberculosis. In such case will the companies exclude them?

Not at all. Usually they go in with the sound 16.

What appeals strongly to the efficiency-minded business man is the simplicity of putting any of these private company group plans into operation—even the larger ones.

"Look at the Texas Company," one executive said. "It had 20,000-odd employees, all over the country. Through one private insurance carrier it got a uniform plan which worked in every state."

"The carrier printed 25,000 booklets entitled, 'Hospital and Surgical Benefits Plan for Employees of the Texas Company,' and 25,000 accompanying application cards. They were distributed and, within ten days, 90 per cent of the employees had signed the cards and turned them in. A certificate with the employee's name was passed out next pay day, and—presto!—the job was done. No dilly-dallying. No red tape."

It is still growing

AS FOR the future, the companies feel health and accident has by no means reached its peak.

Leaders in the industry will tell you, "the companies intend to broaden their underwriting attitude so as to serve a greater portion of the public better, thus eliminating one of the strongest arguments for government compulsory insurance."

This will mean, again, even better coverage—prices to fit various pocket-books. Even down to short-term policies effective for only a few weeks.

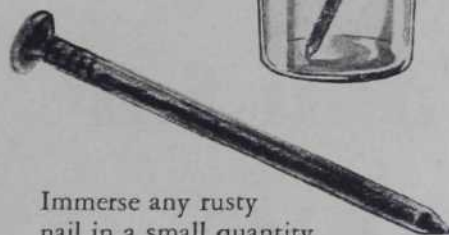
A plan has been proposed for general adoption of a standard group disability policy, a simple, clean-cut contract with few exclusions and no frills. Although there is divergence of opinion on this idea, many insurance men believe if such a contract were adopted as a model, a great sales effort could be put into what is known as semi-group insurance; that is, contracts with professional men, independent workers and even groups as small as five employees of one employer.

If this were done, and done successfully, the government contention that the insurance industry under private enterprise has failed to provide adequate protection for the masses of the people would, in great measure, fail to stand.

Whether the companies writing health and accident can bring this off, no one, of course, unless he be clairvoy-

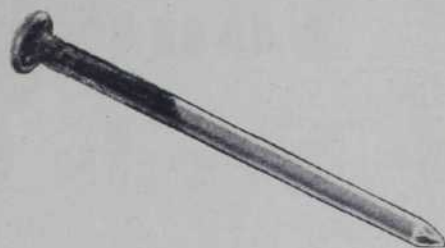
What to do about Rust?

Make this Test



Immerse any rusty nail in a small quantity of Cities Service Rust Remover. If badly rusted, allow to remain for several minutes. You can actually see the rust dissolve.

See the Results



Remove nail and wipe dry with cloth or tissue. Note the complete absence of rust and the way the original surface reappears.

CITIES SERVICE RUST REMOVER has been tested for four years throughout a small, highly industrialized area in the East, where it has earned a unique reputation for performance. RUST REMOVER is a clean, clear liquid, practically odorless, non-inflammable, easily applied, and harmless to handle by those not allergic to specific chemicals. It is fast-acting, and, although heating somewhat accelerates results, general application is recommended at normal temperature (60°-90°F.). RUST REMOVER is effective on chromium, copper, aluminum, steel and iron.



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Gentlemen: I am interested in your RUST REMOVER demonstration as offered in Nation's Business.

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ant, can know. But if past record is any inkling of future performance, the \$254,000,000 of group accident and health written by all classes of companies in 1943 may give an idea of potential put-it-over ability.

Another indication along the same lines can be seen in the vast breadth of coverage the companies have now established.

One of every 12 U. S. families now receives a health-and-accident check every year.

And when you look only at the policyholders, the number receiving health or accident benefits annually is actually one in five.

As for the market for future business, there are, in the words of one insurance writer:

"More than 11,000,000 prime prospects: soldiers and sailors returning from the war to civilian life—none covered by disability insurance in their military careers."

Eleven million reasons why the health and accident industry looks toward the postwar era with confidence!



GRAND RAPIDS COMMERCIAL PHOTO CO.

Deliveries on Time

By pooling deliveries, nine automotive wholesalers in Grand Rapids, Mich., have solved their problem of how to maintain twice-a-day delivery service to garages and other customers.

All merchandise is brought to a central point where it is loaded into trucks. One truck leaves at 9:30 a.m. and the other at 2:30 p.m. daily. Invoices accompanying merchandise are in sealed envelopes, addressed personally to the receiver.

C. O. D. packages are also handled. The drivers of the cooperative delivery trucks collect the money and obtain a receipt from the representatives of individual jobbers when the cash is handed over.

The plan has saved the automotive jobbers hundreds of dollars. Trucks used for delivery are owned by one of the wholesale firms and charges are prorated.

OUR FOREIGN TRADE:

Bootstraps or Balance Wheel?

By HAROLD M. FLEMING



BLACK STAR

POSTWAR foreign loans are currently the subject of a great deal of Washington thinking.

This thinking is already making an impression abroad as demonstrated by this statement in a recent issue of the *London Economist*:

"Mr. Dean Acheson of the State Department has made a number of proposals to a committee of the House of Representatives designed to open the way to a new program of foreign loans. The first was the repeal of the Johnson Act which prohibits private loans to countries in default on their First World War debts; others included the expansion of the lending authority of the Export-Import Bank, now limited to \$700,000,000, and permission to the bank to make direct loans to foreign governments."

The purpose of the plans for such loans—and for billions in American overseas capital investments right after the war—is to place in foreigners' hands the dollar exchange to make huge purchases in this country. This is intended to stimulate American exports, and this, in turn, to help keep American workmen in full employment.

Such artificial stimulation of the American economy is at least untimely.

BEFORE trying to create artificial buying power abroad, it might be well to see whether it's needed—and what will happen if we succeed in making more "customers"

If foreign trade is to be used as a lever to influence the American economic system immediately after the war, it is imports, and not exports, that should be stimulated.

The United States will, the moment the war is over, face the greatest demands upon its capacity in all its peacetime history. The demands, for everything from locomotives to butter, will come, not only from our own people but from the farthest corners of the globe.

World is short of goods

THE world, including the United States, will be a huge vacuum waiting to be filled with goods from the only major industrial country in the world with its capital equipment relatively unimpaired.

And the world by that time, including the people of the U. S., will be as long of the money to buy with as it is short of the goods it will so ravenously want

to buy. The wartime savings of the American people, the vast accumulations of gold and dollar credits of neutral countries and one-time industrially backward countries, will add up to the widest, deepest, and best filled pocket-book ever to come to market in America for everything that we can produce.

There will be a huge deferred civilian demand for consumer goods for our citizens. There will be a large domestic demand for capital goods to reconvert and modernize our industry and transport. There will be an immense need for European rebuilding, which the American people, by its very temperament, will feel morally obligated to assist on loan if possible, but if not, then as a gift by one name or another. Finally there will be a demand running into billions of dollars from countries not ravaged by the war, but with large buy-in-America ideas, large plans for their own industrialization—and large funds.

To pile additional buying power, ar-

Burroughs Leads in helping when war accounting problems arise

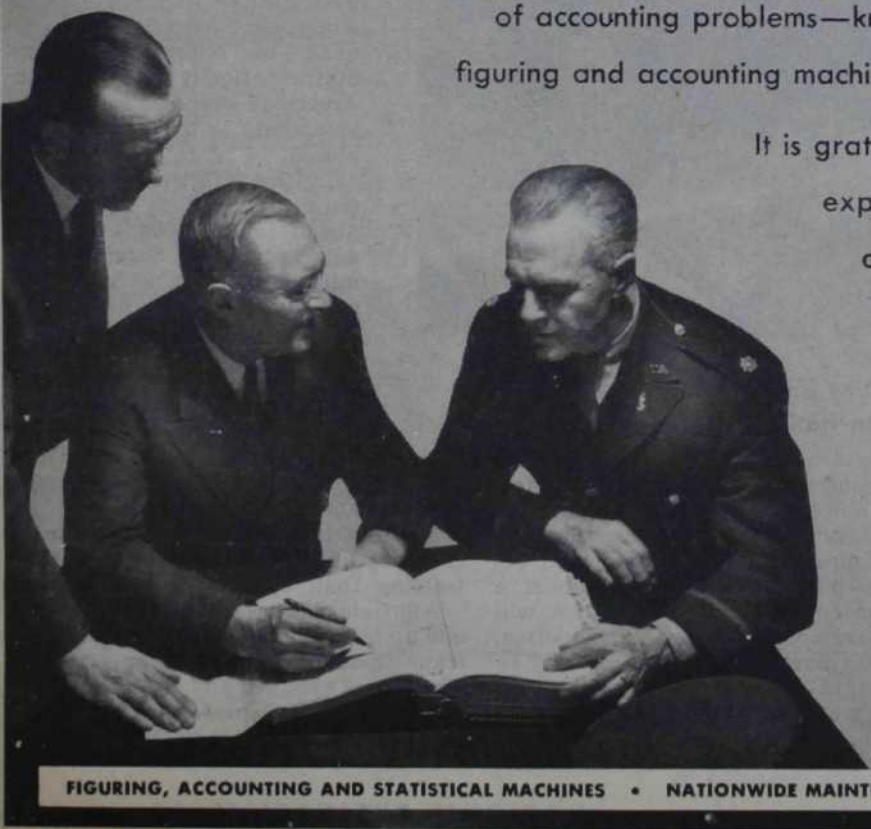
In war industries, camps, depots, bases and government offices,

Burroughs systems and installation men have been working with officers and executives, devising modern machine systems to save accounting time and clerical manpower.

Burroughs men—thoroughly experienced in meeting all types of accounting problems—know how the speed and efficiency of figuring and accounting machines are best applied to this work.

It is gratifying to know that Burroughs' experienced technical staff has been able to make such an important contribution to the war effort.

BURROUGHS ADDING MACHINE CO., DETROIT 32



1st
Burroughs
IN MACHINES
IN COUNSEL
IN SERVICE



tificially created, on top of this market would have two probable consequences, either equally undesirable:

Either it would have a tremendously inflationary effect on the American price structure, or (to avoid this inflation) it would require the continuance of rationing and other American government controls on domestic distribution.

Either way it would hit the American consumer unnecessarily—and hard.

A survey of the probable postwar demand for American production must necessarily be rough. Too many uncertainties are involved to justify the pseudo-precise statistical estimates so popular among Washington economists about the future. Yet even the most casual glance shows how big will be the buying pressure which can be expected to appear with no artificial stimulation whatever, domestic or global.

Take first the domestic demand:

So far our people have saved more than \$100,000,000,000, according to official estimates. The total has been swelling at a rate as high as \$35,000,000,000 a year, or perhaps seven times the "normal" pre-war rate of savings accumulation. It will keep on increasing, though perhaps at a somewhat reduced rate, as long as the war lasts.

Cars, clothes, homes, and household equipment throughout the country are wearing out. By next July an estimated 6,500,000 former owners will be without automobiles. The clothing shortage, all signs indicate, will be acute by the war's end. At least 7,000,000 homes will need major repairs.

If there is anything to the pre-war talk about the "one third ill-clothed, ill-housed, and ill-fed" in the United States, it means a powerful buying pressure after the war, because the largest percentage of increase in net earnings is in these lowest income brackets—and these people do not customarily hold on to their money longer than it takes to find the necessities to spend it on.

Buying pressure

AMERICAN industry and commerce will require huge outlays. All along the line of distribution of consumers' goods, inventories will have been sharply depleted. Retailers alone, the Department of Commerce estimates, will need to spend \$5,000,000,000 to replenish. Wholesalers and manufacturers will likewise be buying, not only for immediate sale but for replenishing inventory.

The United States Treasury, recognizing the heavy inroads the war has made into corporate inventories, has been selling billions of dollars' worth of specially tailored short-term notes to these corporations, which will be falling due at the times best estimated to enable the firms to use the cash for inven-

tory replenishment. Billions more of corporate cash outlays can be counted on for deferred maintenance to be used for catching up on depreciation and obsolescence, for the reconversion of factories, and for the construction of new plant to exploit wartime developments.

The task of rebuilding of the shattered economies of Europe will be vast.

In Great Britain one-third of the homes have been destroyed or damaged, and civilian living standards have been drastically reduced.

In France, factories and transport system have been battered by two great battles; a French purchasing commission now in the United States is said to be looking for \$2,000,000,000 worth of American goods for this year alone if it can get delivery. Italy, ravaged by war almost from one end to the other, is said to want \$2,000,000,000 of credit to buy American capital and consumer goods as a start on reconstruction. Russia has been scarred and scorched twice from her western borders as far as the Volga and is said to want \$5,000,000,000 of American credits a year if she can get them. Without doubt the Chinese have the same general idea about their post-

Parenthetically, it is to be hoped that Washington will be candid about such reconstruction financing. An unrepayable "loan" is far better recognized as such from the beginning and frankly called a gift. Otherwise such "loans" eventually cause hard feelings among the "debtors" and vast disappointment to the "creditor."

But there will be plenty of countries that can pay, and handsomely.

The sources of these countries' funds are many and varied.

Funds to buy our goods

SOME were accumulated in this country before the war by the flight of "hot money" from Europe.

Other funds have accumulated in this country during the war to the credit of neutrals who have prospered by selling us raw materials, but have not been able to use their dollar credits to buy our goods because the United States has during the war (apart from lend-lease) become a net importer on balance. The mining of foreign gold has continued during the war and some of this gold has accumulated in foreign hands.

Finally American overseas armies scatter dollar credits or the means of buying dollars wherever they go, and will continue to do so as long as the war lasts. All told it is probable that foreign countries already have more than \$20,000,000,000 in gold, dollar credits, and other quick assets which can be used for purchases in the U. S. as soon as the war is over.

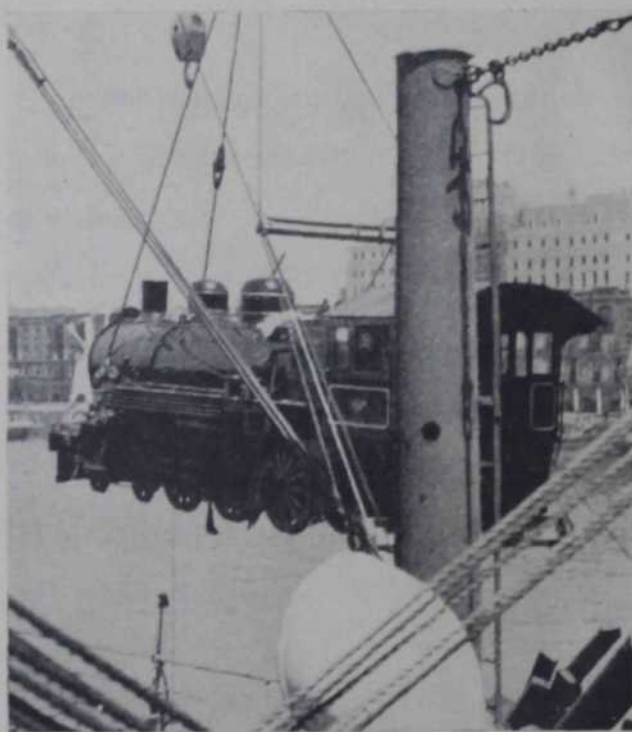
There are two other sources from which foreign countries will derive dollar credits in the future as they have in the past. The notion that any excess American exports over imports must be automatically and mathematically financed by American overseas loans or investments is greatly oversimplified.

In the 1920's foreign countries managed to accumulate about \$600,000,000 a year of dollars from net immigrant remittances and American charity, and from the net tourist expenditures of Americans abroad over the expenditures of foreign tourists in America. Overseas "immigrant remittances" probably will increase, because Americans still have

relatives abroad and never before were these relatives in such dire need and—barring travel restrictions—Americans are likely to do much more globe-trotting than ever before.

All these sources of buying power will add up to the heaviest demand on American production in peacetime history. The size of this demand is already foreshadowed in the current news. For instance, our delegates at the Rye con-

(Continued on page 87)

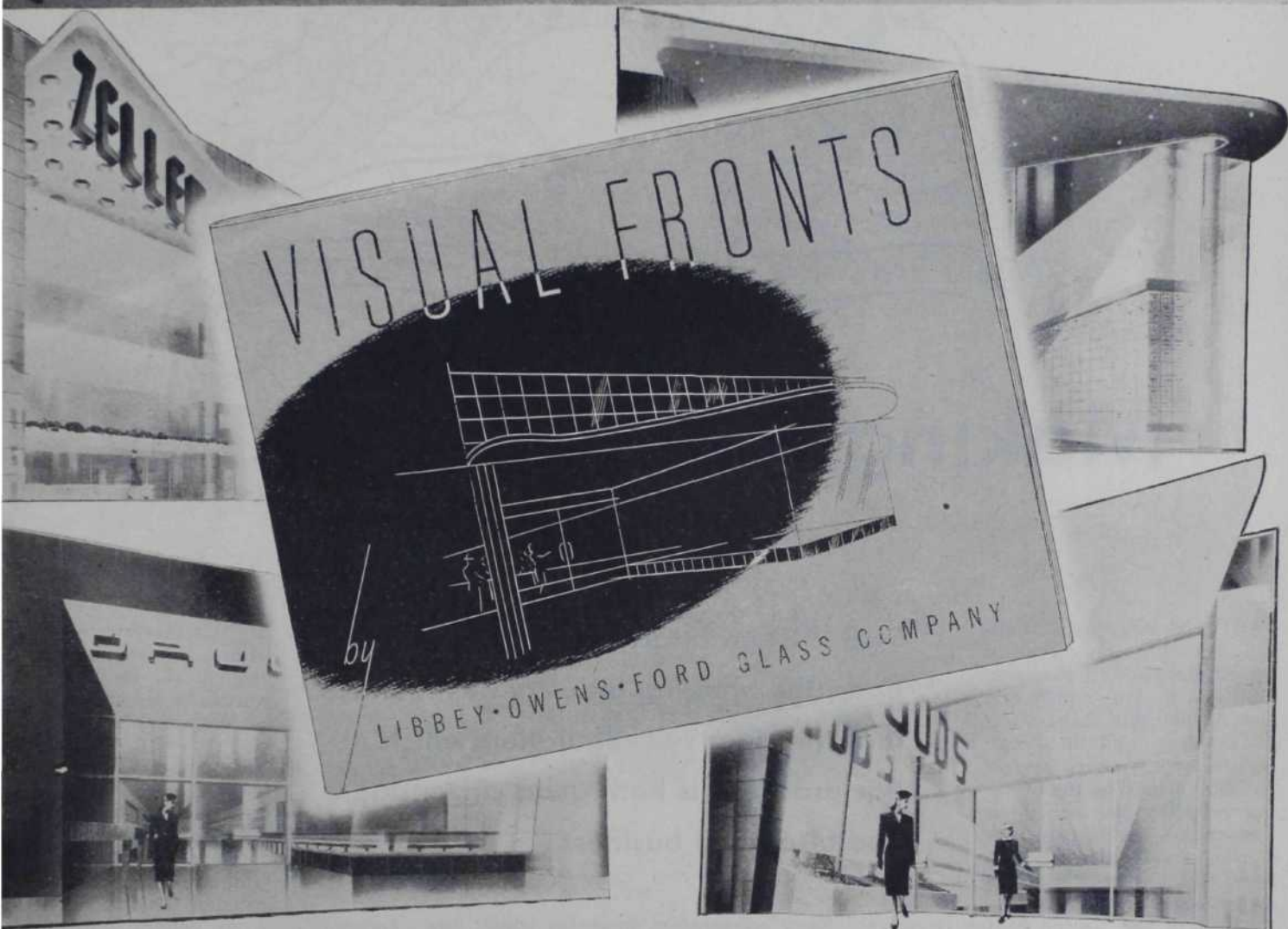


Locomotives and other products needed by foreign nations are needed at home

war reconstruction buying in America.

How much these battered nations can pay for our help in reconstruction is a difficult question but it is somewhat beside the point because it is almost a foregone conclusion that America will take a large part in such reconstruction, no matter how it is financed. It may be by outright gift or "grant-in-aid"; by "loans" which ultimately turn out to be unpayable; by real loans ultimately repaid, or by a combination of all these.

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How will your street scene change after the war? One outstanding feature will be stores with Visual Fronts—the use of glass to increase store traffic.

Storefront designers have reasoned “Why shut off from the view of passers-by all the color and activity of the store interior? Why not let the interior attract attention . . . to invite people in to buy?” They’re answering that question with fronts of clear glass that eliminate the visual barrier between sidewalk traffic and the merchandise.

To help you plan your *postwar* storefront, Libbey-Owens-Ford Glass Company has prepared a num-

ber of design suggestions for many types of stores. These suggestions are shown in our new book, illustrated above.

This book is yours for the asking. It’s packed with ideas you can use to spark up the merchandising power of your store. It shows what kind of glass to use—and where.

Send for this book now. Then ask your storefront designer to help you plan *your* postwar storefront. For the right glass to use, see your L-O-F Distributor. Libbey-Owens-Ford Glass Company, 7525 Nicholas Building, Toledo 3, Ohio.

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a Great Name in **GLASS**



Making Self-Criticism Pay

By AIKEN WELCH

AS THE American Medical Association cleaned out substandard medical schools, as the American Bar Association disbars unfit lawyers, and as Judge Landis kept a sharp eye on baseball ethics, so the brewing industry has set up a system to investigate the causes of evils attributed to beer and to throw out its own rascals first.

Through the United States Brewers' Foundation, it is prepared to run down charges of evils—from absenteeism to juvenile delinquency—based on drinking beer and, if the charges are justified, to eliminate causes. It knows that its policy is good business insurance.

With the war, training camps mushroomed throughout the country, usually situated far from cities and normal recreation centers. Although most nearby taverns remained decent and law-abiding, a certain number of joints and honky tonks were inevitable.

Soon there were loud complaints about the beer industry. A Nashville, Tenn., editorial waxed eloquent:

"According to FBI statistics, the delinquency of girls has increased 68.8 per cent. Do not blame negligent parents altogether. What about wet officials . . . who have put beer into restaurants and roadhouses by thousands upon thousands? . . . No wonder we have war, a flood of crime, food rationing and youth delinquency!"

Though food rationing was out of its province, the Brewers' Foundation, with its machinery already in motion in 15 states, began to broaden its Army and

SUBJECT to attack from many directions, the brewing industry has found that the stern self-regulation which it has practiced is both good citizenship and also good business

Navy cooperation program which now operates in 35 states. Its function was to work with Army and Navy officials to investigate the cause of infractions, especially those that might be associated with beer, and to do what they could extra-legally to stop them.

In one western town near an Army base, for instance, there was a prolonged and violent attack of overstaying leave. Army officials appealed to the Foundation. At once the routine investigation began. The state director, accompanied by an inspector, visited all nearby selling outlets for beer. He called on the mayor, the police chief, some of the most prominent judges, the clergymen and the head of the local civic league. When the camp sent military representatives, a conference of all of them was held.

When the reports were in it was found that many distractions quite apart from beer were tempting the soldiers to be AWOL. Movie theaters and soda fountains were keeping late hours, but there was also a tavern culprit who disobeyed the curfew. On the principle of punishing their own offenders first, the Committee warned the tavern keeper. Scorn-

ful that there were no teeth behind the warning, he disobeyed it. Shortly afterwards, to his astonishment, he was unable to get any beer to sell. The shut-off was operating.

Enraged he started suit against the Brewers. He lost the case. In other states, the opinions of attorney generals are in accord with the decision. This is Thomas S.

Lawson, attorney general of Alabama, speaking:

"Indeed we think that this self-regulatory program—aimed at the small minority of flagrant violators among Alabama's retail beer outlets—will be a reasonable restraint upon the beer business and will be beneficial to the public interest."

On the military side, Brig. Gen. Joseph Dillon, at that time Deputy Provost Marshal General of the United States Army, enthusiastically backed the program which he said filled a void in dealing with excessive drinking by men in uniform that could be filled in no other way.

In staunch agreement was the report of the OWI which admitted that the bootleggers did a thriving business during the last war because camps were bone dry.

"In dry states and in areas where there is a local option, the military faces the problem of bootleg liquor. Bootleggers cannot be regulated. The Army, with an eye to its own disciplinary problem, usually prefers wet communities to dry. One reason for this is that leaders in the liquor business are attempting to



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police their own people. Enlightened
self-interest is one of the most effective
regulators."

The same principle holds with indi-
vidual beer retailers. An owner of a beer
outlet in New Mexico found himself
faced with a shut-off after repeated
warnings from the Brewing Industry
Foundation. When the state director re-
ceived a letter from the owner he pre-
pared himself for an angry outburst.

On the contrary! The owner told pa-
thetically how he had begged his man-
ager to heed the warnings. Because of
the labor shortage, he could not bring
himself to fire his manager and tried as
tactfully and forcefully as he dared to
show his manager that they were vio-
lating the code of ethics agreed upon by
the brewing industry. When the shut-off
order finally came, the owner sent a let-
ter of grateful appreciation to the Brew-
ers' Foundation.

While actually organized in 1936, the
idea of self-regulation had been brewing
a long time. Foresighted statesmen had
suggested to apparently deaf ears that
keeping their industry clean would pre-
vent the train of evils otherwise sure to
follow upon prohibition.

Organized to prevent evils

AFTER repeal, with the memory of
illegal flagrances gallingly fresh, mem-
bers of the industry organized the Foun-
dation, which began to prepare a pro-
gram of self-regulation.

Among the first to welcome the move
was the late crusading editor William
Allen White, of the *Emporia Kansas
Gazette*, who in 1938 saw no reason why
the beer business should not be con-
ducted as the business in breakfast food,
coffee or tenderized ham is done. He wel-
comed the pioneers to
Kansas, stating his belief
that the Brewers' Founda-
tion meant business.

Other editors were more
skeptical. They had seen
well-meaning campaigns
drift into eclipse before.
The paper belonging to
former Secretary of the
Navy Josephus Daniels
was among them. In May
1939 his Raleigh, N. C.,
News and Observer voiced
its doubt that the great
beer industry would spend
thousands of dollars to set
up controls that might
seriously interfere with
profits.

But now the tone is de-
cidedly changed. The same
editorial column admits
that it has witnessed an
amazing thing: the repre-
sentatives of the brewers
begged the county com-
missioners to revoke the
licenses of beer-sellers
with bad records. The
brewers' point is now un-
derstood:

"Of course the beer peo-

ple, in trying to clean up the business
surrounding the sale of beer, act in
selfishness."

The charge that excites the Founda-
tion most is that juvenile delinquency
goes hand in hand with beer. Are beer
taverns hospitable to boys and girls in
their teens? Where do 18-year-olds on
leave pick up unescorted young girls?
Is beer actually sold to minors? Long
before the Army and Navy Cooperation
program called for intensive activity
there, the Foundation had been minute-
ly investigating every complaint, how-
ever far-fetched, that linked juvenile de-
linquency with beer.

Professionals and amateurs in search
of assignments do frequent beer outlets,
it was found, as they use hotels, penny
arcades, drug store counters, shooting
galleries, bus depots, railroad stations—
whatever meeting place is available.
Teen-age boys and girls, however, are
more addicted to the soda pop bar than
to the beer tavern.

Renegade beer outlets which ignore
the Foundation's repeated warnings
that boys and girls must not be per-
mitted to hang around whether they are
sold beer or not, exist, of course. When
27 retailers in one state continued to sell
beer to minors, the Foundation informed
the legal authorities and gave evidence
to bring about their arrest. A warning
was sufficient in another state.

In many towns, the Foundation di-
recting the problem of juvenile misbe-
havior found such distressing conditions,
quite unrelated to beer, that they called
a meeting of clergymen, police chiefs,
judges and prominent townspeople to
make a frank report.

The tavern keepers were behaving
themselves, but the young people in
(Continued on page 89)



"I haven't the faintest idea what it is,
lady—but it isn't rationed!"

In your hands!

An Open Letter

Fellow Employees
of The Milwaukee Road:



In the urgency and magnitude of our war work it is sometimes difficult to give our patrons the high standard of service and personal attention on which our good name is founded.

Service is our entire stock in trade. We must zealously guard against any let-down that depreciates it. Our obligations to each shipper and each traveler remain constant, even under the pressure of total war.

In fulfilling these obligations we must never forget that in railroading the human element is even more important than the mechanical element. Public opinion is the sum total of what each patron thinks of our personnel and facilities.

Let's keep our friends and make new ones. Let's continue to make shipping on The Milwaukee Road a satisfaction and traveling on The Milwaukee Road a pleasure. In this way alone can we maintain our reputation for friendliness and efficiency.

Such a reputation means much to The Milwaukee Road's future, and it's **IN YOUR HANDS** and mine.

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Trustee

WAR JITTERS! Our booklet "War Jitters" is addressed to our employees but if you'd like a copy write Mr. P. R., The Milwaukee Road, 358 Union Station, Chicago 6, Ill.

Hands Across the Plow

By HAROLD SEVERSON

HOW imagination and intelligence are helping bankers and farmers get together in a down-to-earth way to bring prosperity to the South

SCRATCH one flat joke that used to be a favorite with our farmers—the one about the small town banker's glass eye which had a kindlier gleam than his real one!

That viewpoint has been changed. Bankers today know that a prosperous banking business and farm prosperity go hand-in-hand. Consequently, they're intent on improving the status of their borrowers.

As traveling editor of a Southern farm magazine, I've visited every section of Dixie. In virtually all of them, the bankers' role in the transformation of the rural South has been truly impressive. Under their aegis, farmers are becoming acquainted with methods of making two dollars grow where only one dollar had grown in the past.

Many bankers give aid

THESE progressive country bankers are a varied and colorful group. There's "Whittlin' Jim" Ballard of Beeville, Tex., the wise-cracking friend of every rancher and farmer in his county. There's Will Montgomery of Edwards, Miss., who suffered from heart trouble until he was kidnapped; Roy Otwell of Cumming, Ga., who has helped develop the broiler business in a four-county area in northern Georgia.

Up in Hartsville, S. C., there's A. L. M. (Lee) Wiggins, whose work as a country banker helped elect him to the presidency of the American Bankers Association in 1943.

There are others. One is C. W. Bailey of the First National Bank of Clarksville, Tenn., whose "Four Pillars of Income" have been very thoroughly publicized. As the Moses of rural bankers, he has demonstrated that imagination and intelligence on the banker's part will help farmers more than government payments.

It was Bailey who succeeded in getting his farmers into diversified farming. He sold them on the idea of raising wheat, sheep and cattle in addition to



W. A. Montgomery's weak heart was cured when he was kidnapped. He is now known as Mr. Agriculture

tobacco. He bought registered Hereford bulls and turned them over to farmers with the understanding that they would be used to breed their cows and those of neighbors. The cost of this project was entered on the First National's books as "Bulls Receivable."

The bank also lent money to farmers who wanted to buy good sires for their herds and rams for their sheep, or improve their land and buildings. Bailey took motion pictures of the better farms and their herds and flocks, and showed them to capacity audiences all over the territory. He collected a remarkable amount of information about every farmer in the Clarksville trade territory—a file containing an up-to-date report on 10,000 farmers regardless of whether or not they were his customers.

Records to help farmers

MR. BAILEY also induced farmers to keep good financial records of their farming operations. The bank finances an average of 5,000 farmers and 500 to 600 4-H members in the purchases of livestock.

The change in the Clarksville territory has been remarkable. The abused farmlands have been restored to productivity through approved soil conser-

vation methods. Farmers are planting winter cover crops, improving their pastures, and maintaining their buildings and homes in good repair. Bailey and his assistants constantly are thinking up new ways of keeping this agricultural program on a progressive basis.

Other bankers with a farm point of view include W. A. Montgomery, whose bank is in the village of Edwards in Hinds County, Miss. He has been dubbed "Mr. Agriculture" by his fellow bankers—not only in Hinds County but throughout the state.

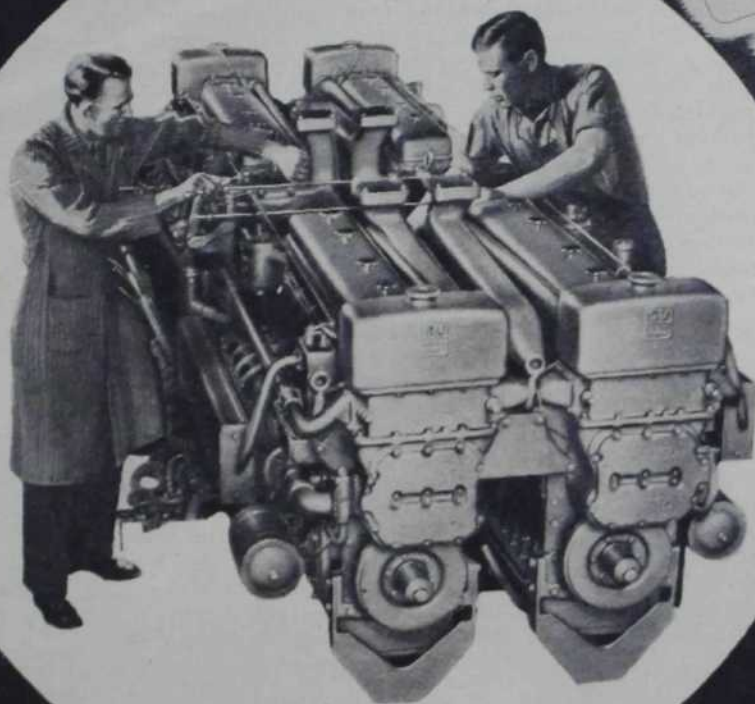
He still chuckles over the cure for his weak heart. It came when bank robbers abducted him in the course of a robbery complete with gunfire and a wild automobile chase.

"Haven't had a bit of heart trouble since that date," he says gleefully.

Hinds County's farmers suffered from an ailment common to the Cotton South—they attempted to grow cotton exclusively.

When prices were good, the entire area prospered. When prices were bad, times were equally bad. But the great depression with its sharp drop in cotton prices and restrictions on cotton acreages worked to the betterment of Hinds County's ailing farm program. It forced the cotton farmers into live-

FOUR OF A KIND



Here is a power unit made up of four General Motors Series 71 6-cylinder Diesel engines driving a single shaft. The unit may be operated on one or more of the engines, as required.

It's called the "Quad," and two of them power each of the famous LCI landing boats. Quads save space and weight so more troops, equipment and fuel can be carried.

Half a "Quad"—two 6-71 engines mounted side by side—is a "twin," and these power Army tanks and tank destroyers.

Here is economical power for many postwar uses—power at less than 15 pounds per horsepower—power for applications where space and weight are at a premium.



Now all these GM Diesels (singles, twins and quads) are busy with war. In their tough, exacting work they are displaying stamina and dependability which emphasize the important place they will fill wherever efficient, economical power will be needed in peace.

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stock—sheep, cattle, hogs and poultry. The job required work, cooperation, determination and leadership. Mr. Montgomery helped organize the Hinds County Livestock Association; in fact, he has been its only president, and has backed the largest livestock show of its kind in the state.

The cattlemen have worked right with him. They've bought expensive sires, planted permanent pastures, terraced and fertilized their fields, plowed under green manure crops. Today you'll see thousands of acres of terraced land that until a few years ago were fast becoming worthless if not already abandoned. The cattle have some of the best blood in America.

Making loans that will help

MR. MONTGOMERY considers livestock loans one of the best sources of revenue for his bank. More than 35 years ago, a Texas banker gave him a formula for cattle loans:

"Never lend a customer money to buy both cattle and feed. Give him a loan to buy feeder calves. They'll eat his surplus feed. Or, if he owns feeder calves, lend him money to buy feed. If the customer is a good moral risk, this is the most liquid and one of the safest of all farm loans."

It's worked out that way for this Mississippi banker.

Country bankers are not the only ones interested in helping farmers attain a better standard of living. Their city brethren take a hand. For instance, there's George M. Clark, president of the

Pioneer Bank of Chattanooga, Tenn. Owner of a farm in the Sequatchie Valley about 27 miles from Chattanooga, he became interested in the plight of the small farmers in that area.

The Valley ceased to be a great producer of beef cattle after World War I, so the farms were cut into relatively small units of about 100 acres each. Like most other sections, row cropping was carried out to such an extent that erosion became more and more pronounced and soil fertility dropped. Farm incomes dropped and so did the standard of living.

These farmers had large families for the most part, so the labor problem was not especially acute. Then, too, Chattanooga provides a good market for milk and cream. Mr. Clark, who had been reared on a dairy farm, pondered the problem and talked it over with his friends.

He brought the matter before the agricultural committee of the Chamber of Commerce but, after a great deal of discussion, no definite step toward helping the Sequatchie farmers had been taken.

A bank buys a bull

FINALLY, Mr. Clark sponsored a luncheon and invited the county agents, FSA representatives, and a number of leading farmers. Also present were several members of the agricultural committee of the Chattanooga Chamber of Commerce.

"There was a great deal of talk," Mr. Clark explains, "but it looked as though

the meeting would adjourn without a definite plan. Finally I suggested that the Pioneer Bank would contribute an exceptionally fine bull for use by dairy herds through artificial insemination."

New enthusiasm was created. The bank bought Fillpail Noble Light Aim, son of a grand prize winner in Jersey Island and the United States and also champion Jersey producer in Georgia. A high school teacher was hired to handle the insemination program. Night meetings were held at school houses to discuss the program with farmers. Farmers were also reached by advertisements in the Chattanooga newspapers and by mail.

As a result, three new milk routes have been started, the quality of the herds has been graded upward, and a number of farmers have been encouraged to begin dairying.

Most important of all, an additional \$7,500 is coming into the Valley to line the pockets of farmers.

Then, there's the story about Jerry Roden, former vice president of a bank in Boaz, Ala. Although Boaz is located on Sand Mountain, one of the best farming regions in the South, most of the farmers had to get a loan each year. It always seemed strange to Jerry Roden that these hard-working farm people had to keep borrowing money. Crop failures were a rarity. Yet, they kept on needing money to tide them over until their cotton was sold.

Mr. Roden served on the bank's loan committee, checking hundreds of applications each spring.

"Why not diversify?" he asked. "You could milk more cows, for example, and then you'd get a milk or cream check twice a month instead of waiting until fall for your cotton check."

Their answers were always the same: "We haven't the market for more milk. What's the sense of milking more cows if you can't sell the extra milk?"

Business that aids farms

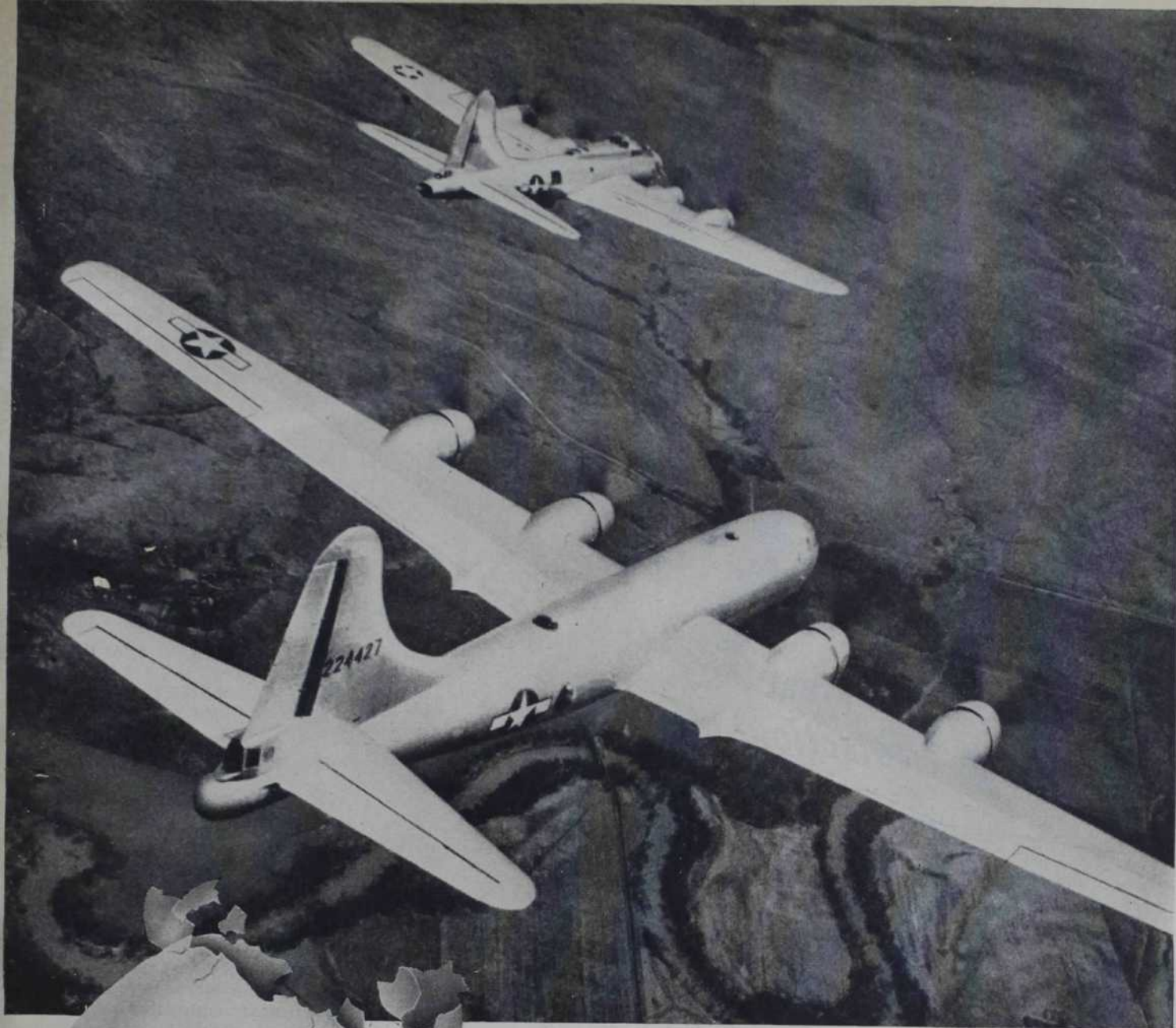
THEN Jerry Roden caught a vision. He visited Middle Tennessee's dairy producers and inspected condenseries, creameries and cheese plants. He talked to Bill Bailey at Clarksville and obtained a first-hand description of the workings of the "four pillars of income" plan.

Back on Sand Mountain, he severed his banking connections and sold his wholesale grocery business. Then he opened a cheese plant. Practically every agricultural leader in the state branded his venture as "crazy," "risky" or "unsound."

That was nearly five years ago. Today his plant is a success, but it wasn't easy. Most of his dairymen couldn't afford to buy a good dairy bull or to install milk-cooling equipment. Sanitary milking barns were rarities. So Mr. Roden set up a revolving fund of approximately \$35,000 with which to buy good cows and bulls. If an inventory of a farmer's assets proved satisfactory, Roden lent



Jerry Roden had an idea. He visited Tennessee's dairy producers. Then he opened a cheese plant at home



Press Association, Inc.

**HATCHED—
ON THE PRODUCTION
LINE!**

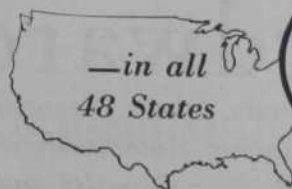
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(through Texaco's *more than 2300 wholesale supply points*). 3. Uniform quality and specifications of industrial fuels and lubricants. 4. Skilled Lubrication Engineering Service. 5. Increased production and purchasing economies.

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Food wins wars
SAVE IT!



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a child's fear, or ac-
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industrial workers, sym-

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him sufficient money to buy good milk
cows. Before long, the county banks
were aiding his program in every pos-
sible manner.

Drive over Sand Mountain roads to-
day and you will find modern milk barns,
fine herds of dairy cattle, registered
bulls and lush pastures. Mr. Roden may
never have a monument erected in his
memory, but the improvements he made
possible will be enough of a memorial
to satisfy him.

Several country bankers have hired
personable, affable men to serve as
farm relations officers. Probably the
first bank in North Carolina to start
this was People's Bank & Trust Com-
pany of Rocky Mount, N. C. Three years
ago, F. P. Spruill, president of the bank,
hired E. A. Howton to serve as farm
relations officer.

Mr. Howton, was formerly a teacher,
and this type of work was new to him.
However, he started off by contacting
the county agents, vocational agricul-
ture teachers, Farm Bureau presidents
and other agriculture agents in the
bank's trade territory.

In addition, he visited farmers in ev-
ery community, making a farm-to-farm
cavass. By means of night meetings,
he taught farmers to increase swine
production, helped them with livestock
and soil improvement programs and in
finding markets for their livestock.

Helping local farmers

ANOTHER North Carolina banker with
progressive ideas is Garland Johnson,
vice president of the Bank of Elkin at
Elkin, N. C. Several years ago, Mr.
Johnson realized the importance of a
well diversified farm program and
sought to make his bank aid the farm-
ers. First of all, he told his story to the
Kiwanis Club, Junior Chamber of Com-
merce and the Merchants Association.
A seven-man committee, the Elkin
Agricultural Council, was organized
with representatives from each of the
civic organizations and the bank.

"Our purpose was to help local farm-
ers increase their income and raise their
standard of living," Mr. Johnson ex-
plains.

Various methods were to aid the pro-
gram. Among them were meetings on
hog, chicken, milk and beef cattle pro-
duction, with extension service special-
ists addressing the groups. All-day
poultry schools and egg shows were
held, at which discussions were con-
ducted on the breeding, care and mar-
keting of poultry. Model poultry equip-
ment was exhibited. As host to the 4-H
Club girls, the Council sponsored a din-
ner and an address on the role of girls
in bettering living conditions on their
farms. The Council also bought 70 pigs
and distributed them at cost to 4-H Club
boys and adult farmers.

Fifteen hundred 4-H boys and girls
and Future Farmers of America mem-
bers attended a stock show held in
October where the sale broke four state
records. The calves sold at an average



FIFTH AVENUE LOOKS SOUTH, TOO!

Main Street has always looked South for pretty gingham and sturdy denims. And you know that Factory Street has also looked South for serviceable work clothes.

Today, Fifth Avenue looks South, too!

For the Southern textile industry has learned to make quality worsteds, fine broadcloth, superb knit goods . . . even sheer, filmy stuff that's just right for original Fifth Avenue evening gowns.

All Southern industries . . . agriculture, mining

and "railroading" too . . . have made equally startling advances in "know how" that will enable them to move ahead with confidence in the post-war world.

Take a tip from Fifth Avenue:

Look ahead—look South!

Share in the Southland's great future.

Ernest E. Harris

President



SOUTHERN RAILWAY SYSTEM

The Southern Serves the South

INSURANCE CALENDAR



On February 15, 1898, the battleship *Maine* was destroyed by a mysterious explosion in Havana Harbor, Cuba. Coming at the end of years of bad feeling between the two countries, the sinking of the *Maine* precipitated the Spanish-

American War. Short as it was, this war forced prices of most things up sharply. Not property insurance rates, however! These held firm... and low... just as they did during World War I. Just as they're doing today!

1945—FEBRUARY hath 28 days

"Be host-like—not hostile—to refugees!"

ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

FEB.	Latitude +30°	Latitude +35°
1	SUNRISE 6:50 SUNSET 5:37	SUNRISE 6:59 SUNSET 5:28
6	6:47 5:41	6:55 5:33
11	6:44 5:45	6:51 5:38
16	6:40 5:49	6:46 5:43
21	6:35 5:53	6:40 5:48
26	6:30 5:57	6:34 5:53

FEB.	Latitude +40°	Latitude +45°
1	7:09 5:18	7:21 5:07
6	7:04 5:24	7:15 5:14
11	6:59 5:30	7:08 5:21
16	6:53 5:36	7:00 5:28
21	6:46 5:42	6:52 5:35
26	6:39 5:48	6:44 5:42

FEB.	Latitude +30°	Latitude +40°
1	MOON-RISE 9:42 MOON-SET 9:34	MOON-RISE 9:40 MOON-SET 9:39
3	11:24 10:35	11:34 10:30
5	12:19 11:40	12:32 11:25
7	2:10 12:59	2:32 12:36
9	4:07 2:40	4:33 2:13
11	5:57 4:45	6:21 4:22
13	7:33 7:01	7:48 6:49
15	8:55 9:16	8:58 9:17
17	10:12 11:27	10:03 11:39
19	11:36 12:31	11:15 12:49
21	1:12 2:34	12:46 2:59
23	3:00 4:23	2:35 4:48
25	4:52 5:51	4:34 6:11
27	6:42 7:03	6:33 7:14

To obtain local times of sunrise and sunset for longitudes other than the standard time meridians (i.e., 75°, 90°, 105°, and 120° for Eastern, Central, Mountain, and Pacific Standard Time), decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

- 1—Th.—1943, Soviet Army 65 miles east of Kursk.
- 2—Fr.—1881, Christian Endeavor Society organized.
- 3—Sa.—1811, Horace Greeley, journalist, born.
- 4—Su.—1861, Southern Confederacy formed.
- 5—M.—Last Quarter, 4:55 A.M., E. S.T.
- 6—Tu.—1904, Russo-Japanese War began.
- 7—W.—1881, French began work on Panama Canal.
- 8—Th.—1902, 456 buildings destroyed in Paterson, N.J., fire—estimated property loss, \$5,000,000.
- 9—Fr.—All Paterson claims against Fire Association Group companies adjusted fairly and promptly!
- 10—Sa.—1841, Upper and Lower Canada united.
- 11—Su.—1943, end of Jap resistance on Guadalcanal.
- 12—M.—New Moon, 12:33 P.M., E. S.T.
LINCOLN'S BIRTHDAY
- 13—Tu.—1924, Tut-ankh-amun's tomb opened, Egypt.
- 14—W.—St. Valentine's Day
- 15—Th.—1942, Singapore unconditionally surrendered.
- 16—Fr.—Only 2½¢ of each premium dollar paid to stock fire insurance companies goes for profits!
- 17—Sa.—1865, Charleston, S.C., devastated by fire.
- 18—Su.—1685, 1st settlement, Texas, made by LaSalle.
- 19—M.—First Quarter, 3:38 A.M., E. S.T.
- 20—Tu.—1938, Eden leaves Chamberlain cabinet.
- 21—W.—1885, Washington Monument dedicated (555 ft.)
- 22—Th.—WASHINGTON'S BIRTHDAY
1879, Woolworth's 1st five-and-ten opened.
- 23—Fr.—1905, first Rotary Club meeting.
- 24—Sa.—To avoid the penalties of shrunken coverage, have your property insurance reviewed often!
- 25—Su.—1943, \$350,000-\$750,000 property loss, Maine shipyard fire. Production loss unestimated!
- 26—M.—Full Moon, 7:07 P.M., E. S.T.
- 27—Tu.—1807, Henry W. Longfellow, poet, born.
- 28—W.—1847, Battle of Sacramento, Mexico.

OBSERVATION for February: With property insurance rates down... down 40% lower than in 1914... this is definitely the time for you to buy all the additional protection needed to bring your insurance in line with today's property replacement prices.

MORAL for February: Call your Agent or Broker now!

PROPERTY INSURANCE
Fire—Automobile—Marine

FIRE ASSOCIATION GROUP

Fire Association of Philadelphia
The Reliance Insurance Company
PHILADELPHIA



Lumbermen's Insurance Company
Philadelphia National Insurance Company
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1817

of 24 cents per pound, while the grand champion sold for 60 cents a pound and the reserve champion brought 40 cents.

Mr. Johnson's talent for organization and the willingness of farmers to respond to intelligent leadership has really paid off in that section of North Carolina. Moreover, throughout the South, farmers are quietly awakening to the possibilities in scientific farming and marketing, and of all the stories of banker-farmer hookups, there is none more interesting than one from Georgia.

Down in Hall and Forsyth counties in the northern part of the state, farmers were in a sad situation a few years back. Cotton and corn crops were worse than poor. Many necessities of life were regarded as luxuries. Spending money was scarce.

Chickens lift mortgages

IT'S a different story today. Chickens have become mortgage lifters in much the same manner as hogs have served in the Corn Belt. On thousands of farms in the so-called Broiler Belt of Hall, Forsyth, Cherokee and Dawson counties, the tremendous production of broilers or fryers on a mass scale has brought new prosperity.

Farmers like to talk about Roy Otwell, the Cumming banker-newspaper publisher-farmer-merchant. Last fall he built a huge poultry dressing plant for Wilson & Co. of Chicago. It cost him \$40,000 and was made possible after a sales talk he delivered to Chicago officials. The young banker convinced Wilson officials that Cumming would be an ideal site for the plant, even though it had no railroad connections. Today it provides employment for more than 300 workers.

But even more notable is Otwell's contributions to the farmers. Six or seven years ago, a few farmers started to raise broilers in a small way. Far-sighted men like Roy Otwell saw the possibilities of expanding the business. As president of the Cumming bank, he lent money to farmers to build broiler houses, buy chicks and feed and install necessary equipment like electric water pumps and brooder stoves. To show the possibilities of the new industry, he built ten houses with a capacity of 1,200 broilers. This demonstrated that broilers could be raised profitably. The news spread rapidly.

All the time, Mr. Otwell kept pounding away on the advantages of getting broiler checks to supplement income from cotton.

Today, many farmers have investments of more than \$30,000 in their flocks and brooder houses. Estimates of broiler production in Forsyth County alone run anywhere from 15,000,000 to 20,000,000. Hall County raises 20,000,000 annually. Mr. Otwell himself estimates total chicken production in the four-county area at 75,000,000.

The change in the thinking of the country banker has benefited both himself and the farmer. Formerly, the aver-



"It's Your Move!"

Yes, it's *your* move! How will you make it? Whether your product is steel or cotton...whether you move it 5 or 500 feet...into the plant, through the stages of manufacture, along assembly lines or out the shipping door — there's a way to save time and money in handling — to help cut the cost of your product.

The most economical way is "thru-the-air" with P&H Electric Hoists. By simply pressing buttons, loads are lifted, whisked away and set down exactly where they're wanted without re-handling. What's more, it's done quickly, quietly and without effort—as part of the pattern of production that enables you

to earn a profit from *moving* as well as from making.

P&H's 60-year' experience as America's foremost builders of "thru-the-air" handling equipment is ready to help you as it is helping thousands of others. Perhaps your first best move is to tell P&H engineers your problems. This is a good time to do it.

P & H

HARNISCHFEGER

CORPORATION

EXCAVATORS • ELECTRIC CRANES • ARC WELDERS

Manufacturers of

Overhead Cranes • Electric Hoists

Excavators • Welding Positioners

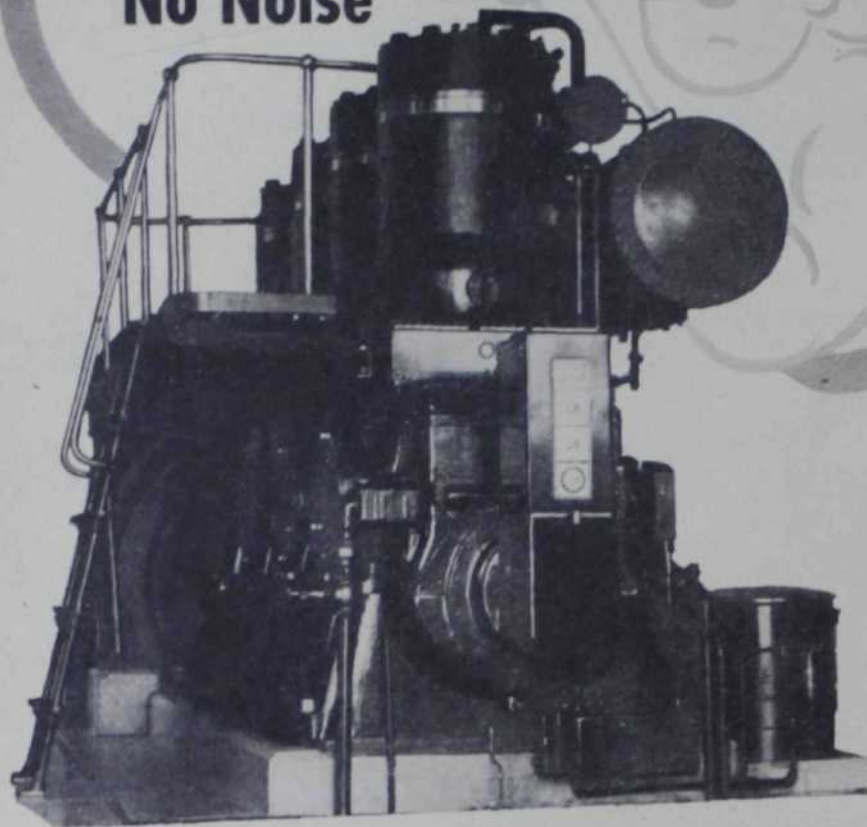
Arc Welders • Welding Electrodes

Milwaukee 14, Wisconsin



HOISTS • WELDING ELECTRODES • MOTORS

**No Sparks
No Soot
No Noise**



Like the muffler on an automobile, the Burgess Snubber is used to quiet the loud exhaust noise of a Diesel engine. It performs the job of silencing so thoroughly that big Diesels can operate near residential areas, and in hospitals, hotels, or office buildings without creating a noise disturbance.

Another Burgess engineering achievement is the Spark Arrester-Snubber. In addition to doing a superb job of silencing, it prevents carbon sparks and soot from flying into the air. Burgess Spark Arrester-Snubbers are particularly desirable for hazardous locations... any place where a stray spark might start a disastrous fire. They are used on Diesel powered ships; on oil drilling rigs; on sawmill equipment; and for general use to prevent fires from Diesel engine exhausts. Catalog No. 454, describing Burgess Snubbers, will be mailed on request.

THE SNUBBING PRINCIPLE



The chambers in the Snubber act like a series of thin blankets through which a golf ball is driven, and gradually slow down the fast-moving exhaust slugs so they leave the tail pipe in a smooth, quiet flow.

If you want quiet Diesel operation—be sure your Diesels are Burgess Snubber-equipped. Burgess-Manning Company, Chicago, Ill.

TYPICAL APPLICATION

Moore drilling rig unit in use in Tulsa oil fields. Burgess Spark Arrester-Snubber prevents dangerous sparks during drilling operation and, in addition, provides efficient muffling for the loud engine exhaust.



age cashier in a small country bank took little or no interest in the farmers' problems. Unless he was a farm-reared boy, he may have had only the sketchiest idea of farm operations.

Today the average small-town bank gladly makes small loans and is bidding for a share of the automobile and home financing. Jim Ballard's bank at Beeville, Texas, is as friendly to the humblest tenant farmer as it is to the wealthier rancher or oilman. The same is true of other rural banks. The old-time austerity and chill of the rural bank is largely disappearing.

But even more significant is the fact that rural bankers are taking the lead in development of their farming sections. They realize that the nation rests upon the solid foundations of agriculture. By strengthening this base, they are building a non-shakable form of prosperity.

Chamber Fetes Union

WHEN the Minnesota Federation of Labor held its statewide Wartime Conference in St. Cloud recently, the local chamber of commerce entertained the 1,000 delegates at a smoker and mixer.

The affair, which has had an important bearing on labor relations in St. Cloud, was sponsored and planned by the St. Cloud Chamber's Union-Chamber Committee which is made up of 24 local leaders—12 representing business, and 12 labor.

This committee was set up by V. C. Fandel, president of the St. Cloud Chamber, to deal with "only those matters which come within management and labor's 'areas of agreement'"—adopting the phrase popularized by Eric A. Johnston, president of the National Chamber.

After the committee began to function, however, it soon discovered that at least 95 per cent of all the worth-while civic, industrial and commercial projects for the betterment of the city came within its prescribed scope of action.

To make sure of maintaining pleasant relations, the committee members unanimously agreed that, under no circumstances, would the Union-Chamber Committee act on any mediation or conciliation matters. State and federal laws, the committee felt, should govern in that field.

Among the projects on which the Chamber-Union Committee has acted since its inception are: postwar planning, establishment of a local vocational training center, collaboration with other groups to set up a Veterans' Information and Referral Bureau for Central Minnesota, aiding War Fund drives, promoting a city band and orchestra—and even obtaining new industries for the city.

The committee has co-chairmen—one management, one labor—who take turns presiding at alternate meetings.

BURGESS DIESEL EXHAUST SNUBBERS

MONROE

SIMPLIFIED PAYROLL PLAN

MEAT DEPT OCT 2 1943 STORE PAYROLL AND TIME RECORD

STORE STAMP GROCERY #1022

FOR OFFICE USE ONLY - DO NOT USE THIS SPACE

WORKED	HOURS	EMPLOYEE'S NAME LIST IN SAME ORDER EACH WEEK	EMPLOYEE'S SIGNATURE	DAILY TIME RECORD							TOTAL WAGES	DEDUCTIONS				DATE	CHECK NUMBER	NET PAY
				MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY		S.A.B.	INSURANCE	TAX	WIC			
48	5 35	204-12-1608 Percy Perry																
48	5 28	188-16-6140 Frank Mora																
48	5 25	253-20-1589 John Doe																

4-0

233-20-1589
JOHN DOE
4TH QUARTER

THE FISHER BROS. CO.
EMPLOYEES EARNINGS RECORD 1943

DEDUCTIONS

	1	2	3	4	5
TAX					
CONTRIBUTORY INSURANCE	.50	.50	.50	.50	
COMMUNITY FUND			1.00		
HOSPITAL INSURANCE		1.50			
UNION DUES	2.50				
WIA BONUS					3.00

THE FISHER BROS. CO.
CLEVELAND, OHIO, No. 80621

PAY TO THE ORDER OF 233-20-1589 JOHN DOE

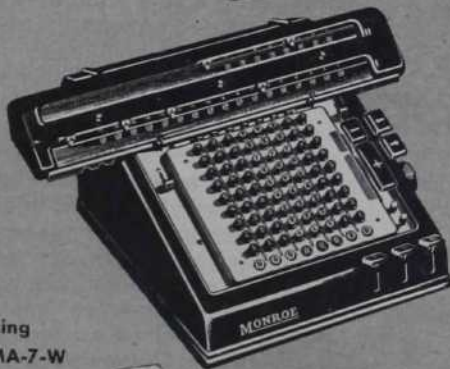
5.50	25.00	6	25	.50	.39	3.00	W - OCT 24	80.621	20.86
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THE NATIONAL CITY BANK OF CLEVELAND
CLEVELAND, OHIO

Employee's Receipt

Forms illustrated through courtesy of
The Fisher Bros. Co., Cleveland, Ohio

Monroe Payroll Accounting
Machine 209-685-191



Monroe Adding
Calculator MA-7-W



Monroe Adding-Listing
Machine 209-11-092

For more than a generation, Monroe Adding-Calculators have revolutionized business figuring; and now Monroe Listing and Book-keeping Machines are setting new standards in accounting procedures.

For example, Monroe's unique Payroll Accounting Machine has reached new heights in simplifying and speeding up posting and proof of records in payroll departments throughout industry.

The four essential records—payroll journal, individual earnings record, employee's receipt, pay check or envelope—are produced and proved simultaneously on this machine. Its modern design, visibility, simplicity and "velvet touch" enable the operator, after a few minutes' instruction, to produce these records speedily and accurately, without strain or undue fatigue.

Whether your payroll is large or small, let a representative from the nearest Monroe branch explain Monroe advantages and the Monroe Simplified Payroll Plan. Ask for a copy of booklet on Payroll Accounting. Monroe Calculating Machine Company, Inc., Orange, N. J.

How the Biggest Gamble Was Lost

(Continued from page 30)

years, the demand for capital goods and for raw materials will provide the chief basis for international trade.

Under normal conditions, Germany occupied a high place among the suppliers of industrial and transportation equipment and auxiliary iron and steel manufactures. It is doubtful now whether Germany's productive capacity and obligations on account of reparations will allow her to play an important part in solving the reconstruction problem, outside of reparation and restitution claims, unless she should be given a high priority in the distribution of assistance for reconstruction. This is not likely.

As regards industrialization of the raw material and foodstuff producing countries, the time element is likely to play a considerable part. Some of those countries are committed politically to a wide industrialization program and the country with the capacity to make early deliveries will have the best chance to land the orders. Germany will not be in a good position to deliver or grant credit.

Encourage competitors

ON the other hand, some of the smaller industrial countries of Europe have expanded considerably and, with some assistance, would be able to supply capital equipment, although the main share will have to be supplied by the larger countries.

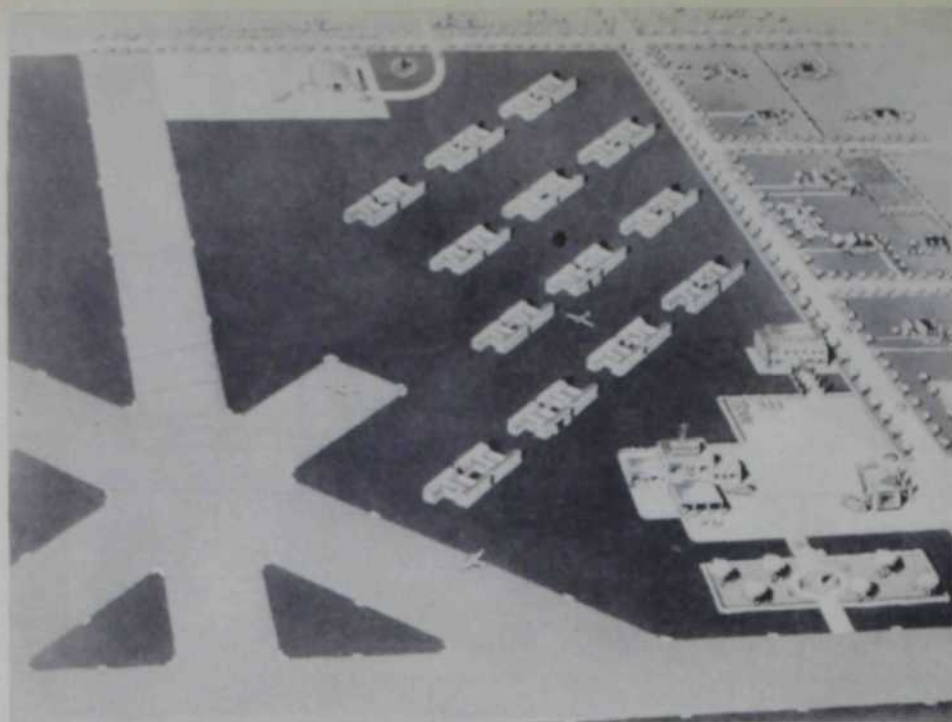
What is the conclusion?

If this diagnosis is correct, it would seem that a mere withholding of assistance, accompanied by effective supervision, will be sufficient to hold German economy in check for a considerable period, unless the Germans succeed in developing a new kind of warfare that can be carried on with limited economic resources, in which case no form of economic pressure is likely to be effective. If this policy is supplemented by financial assistance to the smaller European countries, German economic influence will be still further reduced.

If, however, Germany is to be placed on a lower industrial plane, it may be found desirable to let her retain a part of her self-sufficiency policy and, thereby, prevent excessive unemployment, even if it involves an uneconomic use of resources. Under certain conditions employment in an inefficient industry at a low wage is preferable to unemployment on a dole.

The basic conclusion is that whatever policy is applied to curtail German potential economic capacity for waging war, it should be based on a realistic evaluation of Germany's economy in the light of developments since 1914.

The conventional estimate of Germany's economic strength is based on conditions which have not existed for three decades.



Will Your Community Be Land-Locked or Air-Linked with the AIR LANES?

The vitamin B growth factor which gave us the giant motor car industry was the building of highways.

Similarly will airports, airparks and airstrips function to give us another giant industry (Aircraft Manufacture) to take up much of the slack when the clouds of war again lift.

Every community which hopes to reap its share of the benefits of a tremendous postwar air traffic should plan now to provide aircraft landing facilities to fit its particular needs.

From wide experience gained in the manufacture of thousands of units of airfield equipment for our armed forces and for pre-war airports, Butler engineers have developed new units which will make an important contribution toward bringing adequately equipped airparks within reach of every community. These include steel hangars, service and operations buildings and refueling units. Although airport equipment is not now available for other than war uses, you are invited to consult with Butler engineers in the early stages of your postwar planning.

Address all inquiries to: 7456 East 13th St., Kansas City 3, Missouri, or 956 Sixth Ave. S. E., Minneapolis 14, Minnesota.

BUTLER MANUFACTURING COMPANY

Galesburg, Ill. KANSAS CITY 3, MO. Minneapolis 14, Minn.



BUTLER BUILT STEEL BUILDINGS

STEEL BUILDINGS... TANKS (Storage, Processing and Transport) ... FILTERS
STILLS... DRY CLEANING EQUIPMENT... RURAL GAS SYSTEMS... SEPTIC TANKS
GRAIN BINS... FARM EQUIPMENT and PRODUCTS OF OTHER METALS

WANTED: YOUR OPINION

on lighting and electronics!



In your estimation, what are the advantages of fluorescent lighting?

- ☐ Uniformity of light ☐ Low cost of operation
☐ Appearance ☐ Lack of glare ☐ Greater light output

If your plant, office or store uses fluorescent lighting, has this lighting improved work efficiency?

- ☐ Yes ☐ No

Increased sales?

- ☐ Yes ☐ No

Which of these faults in reception would you like to see eliminated first in post-war radios?

- ☐ Static ☐ Fading
☐ Hearing two stations at once

Has your office, plant or store an inter-communication system?

- ☐ Yes ☐ No

If not, would you be likely to install one after the war?

- ☐ Likely ☐ Possibly ☐ Unlikely

Television can be of important use to business. For instance, fashion shows, introductions of new models and salesmen's educational demonstrations may be broadcast visually. Would you be likely to use such a service after the war?

- ☐ Likely ☐ Possibly ☐ Unlikely

Plant machinery may be operated and controlled in many ways by electronic devices. What services in your plant would you like to have performed by an electronic device?

Sylvania Surveys are helping us to help you in your business!

To better serve American business, Sylvania—through the Sylvania Surveys—is asking questions. What would you like in lighting, radio, television, other electronic developments for your plants, offices, stores?

These Surveys will help us to help you. Answers from many types of business indicate what will be needed to step up production, improve retail selling, smooth office routine. You will want to read the story in our "Report on Lighting and Electronics." Reserve your copy today. It will be mailed to you promptly upon completion.

At the same time, why not let us have *your* opinion on the problems listed here?



Sylvania Surveys will be compiled into a book of facts interesting to business men with an eye to the future. It tells you what will be wanted, for better business procedure, in the field of electronic development. Send for your copy now!

SYLVANIA ELECTRIC

SYLVANIA ELECTRIC PRODUCTS INC.

EXECUTIVE OFFICES: 500 FIFTH AVE., NEW YORK 18, N. Y. MAKERS OF FLUORESCENT LAMPS, FIXTURES, ACCESSORIES; INCANDESCENT LAMPS; RADIO TUBES; CATHODE RAY TUBES; ELECTRONIC DEVICES

King Coal Expands His Empire

(Continued from page 27)

that was cut to 3.39 pounds. In 1941 it was down to 1.34 pounds. Today, in the most modern public utility plants, three-fourths pound will suffice. Such progress denotes an efficiency increase of more than 900 per cent.

Comparable progress has been made wherever coal is used. In 1920 pulling a passenger train one mile used up 18.8 pounds of coal. A little more than a generation later, 14.9 coal pounds did the job.

In the same period, the coal needed to make one ton of pig iron was reduced from 3,154 to 2,525 pounds.

While this progress was being recorded, study was also proceeding to make mining operations better and to improve the handling qualities of coal. Producers, miners, government agencies, all agree that stability in the coal industry must rest on increased volume.

To that end, the coal people have been working unremittably. In recent years they have invested some \$500,000,000 in new equipment. After 200 years of orthodox mining, coal production has now been streamlined. Today coal is being washed and laundered, processed in numerous ways, to make it better in use and easier to handle.

One of the newest utilizations is powdered coal of which 50,000,000 tons are being used annually. The cement indus-

try, copper, public utilities are among its customers. The Ford River Rouge plant uses 1,800 tons every 24 hours. Cleveland's public utilities use it exclusively. Experiments are being conducted on piping powdered coal from mine to destination, hurling it along by air pressure. One cubic foot of air will carry 2½ pounds.

Pipe lines for short distances are already operating. Plans have been blueprinted to pipe powdered coal more than 100 miles. Pipe lines extending 500 miles are contemplated.

This is significant because no place in the United States is more than 500 miles from a coal field. Coal is found in 31 of our States; it underlies 500,000 of our 3,000,000 square land miles.

Making locomotives smokeless

SMOKE has ever been the coal user's great trial. Chicago kicked like one of its prize steers on the West Side because of smoke. Now the research program has developed a simple overfire air jet, which not only consumes the smoke but increases the resultant fuel efficiency by 20 per cent.

The device is simple. Jets introduce air over the fire, causing turbulent mixing with unburned gases. The result is complete combustion and smokeless operation at low and moderate loads

where smoke is most objectionable. First tested on Louisville & Nashville Railroad locomotives, the improvement caused Walter Moore, member of the Nashville Smoke Commission, to say that locomotives so equipped will conform with the most rigid smoke ordinances in America.

One of the biggest markets for coal always has been the railroad locomotive. The coal people want to make it still bigger. The railroad people are willing but they have to consider costs. The research program therefore is heavily devoted to making locomotives go faster and farther on less coal. The industry's combustion engineers are cooperating closely with railroad engineers to achieve this end. As of today, 94 per cent of railroad locomotives are coal burners.

Meanwhile, the whole world knows that Germany has been getting much of her gasoline and light oils from coal, but Germany had no choice. She had little petroleum and, under war conditions, cost did not matter. It does matter very much to Americans. Germany has been producing for her war machines upwards of 5,000,000,000 gallons of gasoline and light oils from coal each year.

Similar United States production has been limited to a few gallons a day, made in an experimental plant operated by the United States Bureau of Mines at Pittsburgh. Lawmakers are inclined to expand this particular field of research; hence the O'Mahoney bill, which authorizes \$30,000,000 to establish pilot plants to make gas from coal.

One thing is certain—the United States has plenty of coal to provide power for our millions of motorists if that should be the only source.

But proportionately, we have less than formerly. After the first World War, the United States was credited with 55.2 per cent of the world's coal reserves. Today, mainly because Russia has tapped a hitherto unknown supply estimated at 1,200,000,000 tons, the United States reserves are figured at 46.8 per cent.

Outproducing Germany?

GERMANY, which does not approach the United States in coal reserves, outproduced us in 1939—26 per cent of the world's production to our 24 per cent. Quite likely this proportion has turned in our favor since Pearl Harbor. In 1943 the United States mined 589,000,000 tons, surpassing our production in 1918, the previous record. Moreover, 415,000 miners did in 1943 what it took 615,000 miners to do a quarter century ago.

Thus the efficiency of mining has paralleled the improvement in coal utilization. Among the principal locations of bituminous coal research are Battelle Memorial Institute, Columbus, O.; Carnegie Institute of Technology, Pittsburgh; Pennsylvania State College, State College, Pa.; University of Illinois, Urbana, Ill.

Old in concept and expanding in application is the view of coal as a chemi-



The railroad locomotive has always been one of coal's best customers but this versatile fuel can power automobiles, too

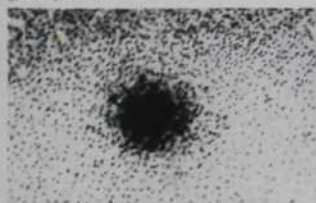
Treasure behind your snapshots



The image on developed photographic film . . .



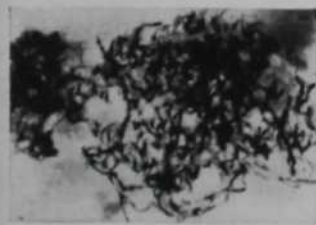
Magnified 25 times, one small section—the eye—is seen to be grainy . . .



Magnified 250 times, the separate grains become more apparent . . .



Magnified 2,500 times, the individual grains are seen . . .



And magnified 25,000 times, the developed grains are shown to consist of filaments. These filaments are pure metallic silver—the same silver that started from the vault at Kodak Park.

REMEMBER WAKE ISLAND? It has been three years now since that little band of Marines . . . their last patched-up plane shot down . . . sent their last message: "The enemy has landed—the issue is in doubt." A stern example for us at home. **BUY—HOLD—MORE WAR BONDS.**



It's pure silver that "gets the picture" on Verichrome and other **Kodak Films**

MILLIONS of dollars in silver ingots—great bars of silver piled from floor to ceiling . . . You might expect such a scene in the vaults of the U.S. Mint—but this vault is at Kodak Park.

Here is a hand truck loaded with ingots. Try to budge it—brace your feet and put your back into it! There's a ton of silver on the truck. *Two truck loads—two tons—are a day's supply . . .*

Next to the U. S. Treasury, Kodak is the biggest buyer of silver. As for purity, the Treasury standard, high as it is, is exceeded—every ounce of silver for Kodak is a "special melt" refined to a purity higher than for any other use.

It's this pure silver—combined with certain other substances in one of the most delicate, most carefully controlled series of processes known to science—that gets your pictures on Verichrome and other Kodak Films. With the right treatment, nothing else responds to **LIGHT** as silver does.

Silver is only the starting and finishing point. In its life cycle between silver ingot and developed photographic negative, its nature is repeatedly changed. By the action of chemicals

it is broken into parts so tiny that only with the wonderful electron microscope, magnifying 25,000 times, can they be clearly distinguished.

In that split second of exposure when you press the button of your camera, the light-sensitive crystals undergo a shock. Millions of them reached by the light reflected by your "subject" respond by forming a "latent" image.

To bring this latent image to life, the silver must be freed from its chemical partners—must return to its original state—*pure metallic silver*. This is done by chemicals used in "development." When you see the developed film—there's the negative of your snapshot! The grin on that kid's face, the gleam in his eye . . . it's all on silver!

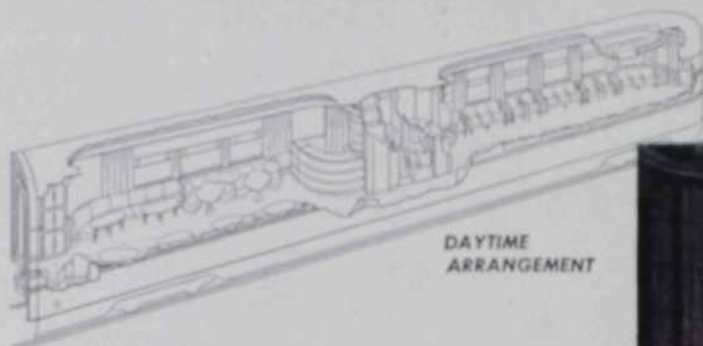
Buried treasure that has come to light—that, literally, is what you have in your negatives made on Verichrome.

EASTMAN KODAK COMPANY
ROCHESTER, N. Y.

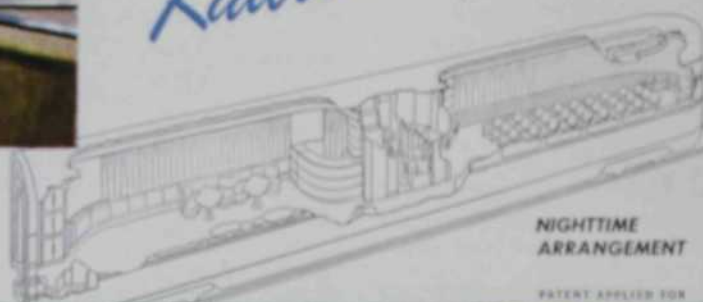
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*A New Thrill in
Railroad Travel*



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ARRANGEMENT



NIGHTTIME
ARRANGEMENT

PATENT APPLIED FOR

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Club-Cinema Car



Miniature theatre and smart night club combined for the first time in a railroad car... movies and dancing!

• • •

Time and the miles pass swiftly in this novel recreation car designed for passenger entertainment. Retaining all the congenial features of the conventional observation-lounge car, Pullman-Standard designers have created a new conception of hospitality en route in bringing to the rails entertainment facilities heretofore known to travelers only on ocean liners. The after-section is convertible into a small theatre for thirty at a sitting, when chairs are arranged to face the screen. Forward, in

the night club section, the center space may be cleared for dancing, or refreshments may be had at lounge tables along the sides.

This versatile, de luxe car is the latest of the revolutionary series of newly designed cars—the Day-Nite Coach, the Threedex Coach, and the new-style Diner—which Pullman-Standard has originated and introduced to reflect the tempo of modern rail travel. After decades of unquestioned supremacy, Pullman-Standard leads today in the design and building of lightweight streamlined cars and trains, and, since it introduced the first streamliner, has built over 70 percent of all such equipment bought by the railroads. As a result of forward planning, Pullman-Standard is ready to produce these advanced-type lightweight cars of tomorrow for the trains of progressive railroads as soon as wartime conditions permit.

PULLMAN-STANDARD

Car Manufacturing Company

CHICAGO · ILLINOIS

World's largest builders of modern streamlined railroad cars

Offices in seven cities . . . Manufacturing plants in six cities

Start the New Year Right . . .
Buy War Bonds and Keep Them

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cal raw material. Bituminous coal contains the three elements which comprise the tools of organic chemists; carbon, hydrogen and oxygen. Though coal has been providing valuable by-products for generations, only in the past decade has a supremely valuable service loomed up out of coal's by-products.

Clothing and upholstery fabrics, processed from coal, can be beautiful and reasonably priced. They will be water-proof, wrinkle-proof, almost wear-proof. That claim regarding beauty has its basis not only in the fabrics, but also in the colors. So great is the variety of coal derived colors that naming them is a problem.

The first sulfanilamide resulted from an industrial experiment with a coal tar dye. Today there are numerous variants, and testing is going forward on as many as a thousand.

So far the coal people have not attempted to estimate the probable market which the postwar-era plastic field will open up, but it is reasonable to say the market will be considerable. Thousands of tons of coal are now used in manufacturing nylon, all of it consumed by the armed forces. Peace consumption will be larger.

Many products from coal

CERTAINLY the home medicine cabinet and the apothecary's shelves will be stocked with patent medicines and prescription compounds made from coal. The paint dealer's shelves will be filled with varnishes, enamels and varied paints made from coal. The drygoods store will have bolts of multi-colored fabrics to sell by the yard and the man's shop and milady's, too, will have ready-made garments—all from goods processed from coal. The jewelry shop will sell fancy toilet articles, the electric shop flashlight cases, the vacuum cleaner manufacturer and typewriter manufacturer will build strong, lightweight, beautiful machines—all of materials made from coal.

The list of coal by-products is infinite, the amount of coal so used as yet immeasurable.

Technologists, whose field is the improvement of fuel consumption, agree with geologists that coal's original advantage is its main one today: low cost. To combine its cheapness with greater efficiency and cleanliness is the immediate aim of the research program.

For instance, the cost of building a hydroelectric plant averages \$250 per kilowatt; that of a steam installation \$85 per kilowatt. The National Resources Committee reported in 1937 that the average cost of making electricity in a hydroelectric plant was 0.6c per kilowatt hour; in a steam plant 0.4c per kilowatt hour.

Coal may be likened to portable electricity. Hydroelectric plants are fixed to the vicinity of tremendous reserves of water. This explains, of course, why the great bulk of electricity manufacture depends on coal.

The \$140,000,000,000 Question:



Will we have the
"SALES-POWER"
needed tomorrow?

The effective use of "Sales-Power" is rapidly shaping up as a primary determinant in achieving the \$140-billion U. S. annual income* considered necessary to avoid peacetime depressions. It will certainly be the basis on which hundreds of companies will fade or fail while others thrive and profit.

Where does "Sales-Power" come from? It is the end-product of the accurate, adequate and pertinent facts that must serve as a guide in shaping sales policies and steering them to success.

The new 96-page study offered here has been prepared for the use of every businessman concerned with these problems. Two years in preparation, it is the result of an

exhaustive research into the methods used in generating and maintaining "Sales-Power" with greatest success. The combined experience of hundreds of leading organizations is represented in its 15 brief and fully illustrated chapters.

Among its important subjects are methods and applications of market analysis, the part played by organized facts with their analysis and use, the three fundamental controls required in modern selling, new sales presentation techniques, and other vital material.

May we send you this study—"Graph-A-Matic Control for Sales Management"—today? Ask our nearest Branch Office for a copy.

*Committee for Economic Development estimate based on 1940 dollar value.

NEW HELP

"GRAPH-A-MATIC CONTROL FOR SALES MANAGEMENT" presents scores of ideas encompassing the entire subject of sales management in operation.

Color illustrations show modern methods of charting facts for control of sales by individual account, by territory, by branch office.

This study is available without cost or any other obligation to responsible businessmen.



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REMINGTON RAND
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Increases Shipping Protection . . . Reduces Packing Time

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Because KIMPAK is so compact, so flexible, so easy to use, it speeds packaging—saves time and work in the shipping room. Often cuts freight costs by reducing package size and weight. In this particular instance the package size was reduced 80%.

KIMPAK comes in various forms to provide positive protection for anything from refrigerators to jewelry. It will pay you to learn the whole story

about this amazingly resilient cushioning material. For a free illustrated book, mail a post card to Kimberly-Clark Corporation, Creped Wadding Division, Neenah, Wisconsin . . . and when planning your postwar modernized package include KIMPAK for internal packaging-protection.

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Telephone, write or wire today for the KIMPAK representative.

*KIMPAK (trade-mark) means Kimberly-Clark Wadding

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CREPED WADDING



"Tob'o." . . .

A SHORTAGE of tobacco was a hardship in the days when tobacco bought brides and paid the clergy's salary

TODAY'S tobacco crisis brings back vivid memories of tobacco's leading role in colonial times. A shortage then—although cigarettes were unknown—was more than an inconvenience. It disrupted the entire economy, for it is in terms of tobacco that the first two centuries of Virginia and Maryland history are told.

Tobacco was the foundation of plantation life, the medium of exchange, the standard of currency, the basis upon which salaries were paid and taxes assessed, the price even at which a bride was bought.

When the son and heir of a planter aristocrat went "home" for his university education, or even to play around for a London season, the necessary expenses were adjusted by the father's agent in the old land on the elastic credit of the tobacco account.

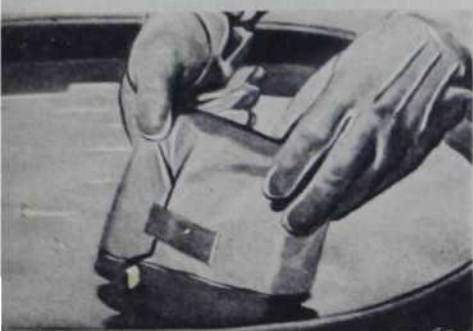
Tobacco in bookkeeping

IN ponderous old eighteenth century ledgers there is a column unknown to the bookkeeping journals of this age. Headed *Tob'o.*, it is the space for debits and credits of that vital commodity. Beside the number of hogsheads appear what look like hieroglyphics until they are explained as the private marks of the individual planters.

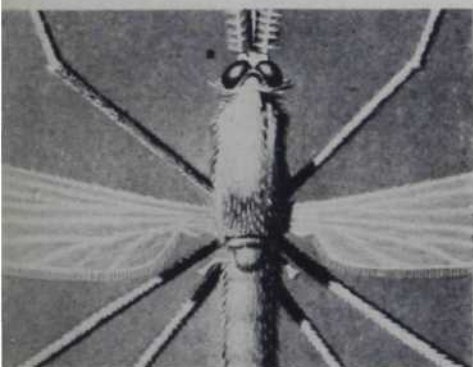
One such ledger of the Alexandria, Va., firm of Carlyle and Dalton contains an account in the name of "His Excellency General Braddock" for April 1755. There is a poignancy about the entries for colored thread, required to mend the uniforms of officers and men during their stay in the historic town, for Braddock's troops marched away on the Ohio expedition from Alexandria. After they had set out on the journey, Governor Dinwiddie summoned the Assembly in Williamsburg so that money and supplies might be furnished "for the protection of His Majesty's subjects against the French." The amount of £20,000 was voted by a "tax or duty of two shillings and sixpence or 30 pounds of tobacco . . . according to the list of tithables taken and returned for the present year."

In 1755, tobacco provided for the bur-

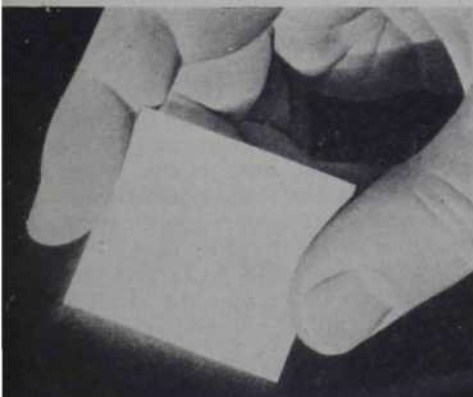
New Service to Industry Improves Processing, Helps Lower Costs!



Microcrystalline waxes are invaluable to wartime shippers. Here's a packaged aircraft part, being coated for shipment.



New products from petroleum are contributing much to mosquito control.



This quartz oscillator for an aircraft radio was tested and ground with the aid of new products from petroleum.

HERE they are—hundreds of amazing new products from petroleum and a new service to help you apply them to your needs.

They are called Socony-Vacuum Process Products, and already they're serving the processing needs of 30 industries, improving operations, lowering costs.

On request, Socony-Vacuum engineers study your operations,

show you new products that may help you produce better merchandise, faster, at less expense. Where no products are available for particular needs, Socony-Vacuum research goes to work on the problem.

Why not take advantage of this Service—Now?

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Plasticizers for synthetic rubber coating on cables keep the rubber flexible at 40 degrees below zero.



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THE EVERLASTING QUEST.

What have a test tube and the contraptions below got to do with a locomotive and the operation of a railroad? More than you would ever dream.

In the Norfolk and Western Railway's modern, completely equipped physical and chemical laboratories, and in the field, the railroad's chemists, physicists, metallurgists, and mechanical experts make approximately 30,000 scientific tests and analyses a year of nearly everything used by the railway — the steel that goes into locomotives, cars, rails and bridges; concrete, ballast, paint, lubricating oils, signals, brakes, draft gears, coal, and thousands of other items. The search for better materials, improved facilities, better operating methods, and improved safety — goes on day after day, year in and year out. What are the results? Here's one example:

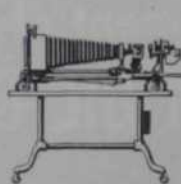
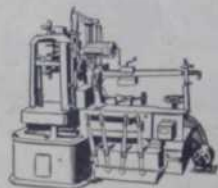
In 1943, the N. & W. had 42 percent fewer freight locomotives than in 1918, but the better designed, easier to maintain and more efficient locomotives of 1943 performed an average of 33 percent more service, moved 58 percent more freight, hauled in better cars that made 61 percent more mileage, at 60 percent faster freight train speed.

The Norfolk and Western, and other American railroads, are alert and awake to their opportunities. By constant research, study, improvements and enterprise, they will continue to forge ahead when Victory is won — as the safest and most efficient transportation system in the world.

Norfolk and Western

RAILWAY

PRECISION TRANSPORTATION



gesses' wages, the relevant statute reading, "It is amongst other things enacted, that the allowance for Burgesses attending the General Assembly, should be as followeth; that is to say, for every Burgess coming by land, 130 pounds of tobacco . . . ; besides the necessary charge of ferriage, and for every Burgess who could not come to the General Assembly but by water, 120 pounds of tobacco . . . besides an allowance for divers days of travelling to and from the General Assembly." (Hening's Statutes.)

The Assembly held two further sessions that year, and in late October or November a measure of ominous significance was placed on the statute books. "Due to the continued drought and to the very small quantity of tobacco made," the inhabitants of the colony were enabled "to discharge their tobacco debts in money," on a basis of 16/8d for every 100 pounds of tobacco, the legislation to remain in force ten months.

Cutting clergy's salary

THREE years later, when the tobacco crop virtually failed a similar act was passed, and the clergy, whose annual salary had been 16,000 pounds of tobacco, immediately protested. The act was disallowed by the king and many of the clergy brought suit for their salaries, but could not obtain verdicts from the Virginia courts. In this celebrated "Parsons' Cause" a fiery young Virginia lawyer declared that by disallowing acts (such as that of 1758), the King, "from being the father of his people, degenerates into a tyrant and forfeits all rights to his subjects' obedience." The hot words were spoken by Patrick Henry.

In the long annals of commerce there is no more romantic chapter than Glasgow's rise to supremacy—on the Virginia tobacco trade. This second city of the British Empire still has a Virginia Street, and one of its leading business thoroughfares, Buchanan Street, is named for one of the tobacco magnates who formed a civic aristocracy in the eighteenth century. They were a class apart, strutting about the market place in long scarlet cloaks and three-cornered hats set atop bushy wigs. The servants who attended them were also well garbed. "Powdered flunkies" an old Glasgow resident called them.

Buchanan's home, patterned after the elegant tidewater manors, is no longer standing, but a neighboring mansion, the home of William Cuningham, has been preserved within the handsome Royal Exchange. Shipbrokers and insurance agents carry on their business in rooms where "the quality" of a bygone day were dined.

Shipbuilding had received its impetus from the tobacco trade. One of the Buchanan brothers had five vessels plying back and forth to Virginia, and following the Revolution shipbuilding moved into the place which tobacco had held for well-nigh a century.

—MAUD M. HUTCHESON

Lo! The Poor Indian Bureau

(Continued from page 32)

credible increases. They seem to be solvent as well as smart.

Maybe 400,000 whites in the same places would have done no better. But they would at least have had the opportunity to try. No agent would have come around to tell them to raise more chickens and no bright young scientists from colleges would intrude on their day dreams to feel their heads. It is at this line that Mr. Collier's critics attack him. They say he makes them think of the old story of the loving father who hired an automobile and took his flock out into the country one bright day:

"Now," he said, "you enjoy yourselves or I'll whale the tar out of you."

Mr. Collier was born in 1884. One of his forebears was Lester Ward, the founder of American Sociology. He seemed headed for the Indian Bureau from his boyhood, although he did not know it.

First he was interested in the interacting culture of the races. This dwindled when he tried to interest an Italian colony in Georgia and found they did not care whether culture interacted or not. He went to Europe to study psychology, returned to New York to look into civic clubs, and kept at it for 12 years.

Others tried to interest him in the plight of the Indian but he thought his time would be wasted. The past was dead. He was on speaking terms with the officers of the Civil Liberties Union and one of the many poems he has written had Isadora Duncan as the heroine. After the First War he became director of the state's committee on Community Organizations. Still no flicker of interest in the Indians. He belonged to so many uplift organizations that space lacks even to mention them. He did social work with immigrants and tried to clean up motion pictures and served on the board of the American Child Health organization. People called him a dangerous reformer.

He pitied the poor Indian

HE WENT to Taos, N. M., on a visit, totally skeptical about the Indians. He got acquainted with the Pueblos, found that their communal life resembled that of the city states of ancient Greece, and learned that, for almost a century, the national policy had been to "liquidate" the Indians. Their lands had dwindled from 133,000,000 acres in 1887 to 47,000,000 in 1933. The laws favored the white men who wanted to get control of what few natural resources the Indians had left.

"To eradicate all traces of the Indian and his culture."

He found a resemblance to the methods of the czars and what is today



A tiny Bostitch staple
... linking war and
civilian production

How Soon?

A MONTH... or many months... to the day your industry will get the "go-ahead" on civilian goods... to create jobs for men as they are released from service or war work?

How soon? What products can come first? Most important—will you be ready... on that day... to change quickly from gliders to furniture... jeeps to cars... shells to cosmetics... or whatever it may be?

If your planning involves fastening... Bostitching offers you *speed*... often 50% more speed... over nailing, riveting, welding, gluing or tying. Nearly 800 models... staplers, tackers, hammers, wire stitchers... to fasten metals, wood, cloth, paper, plastics... in any combination... faster and better.

Investigate Bostitch... its complete line... engineering resources backed by 40 years' stapling experience... a nation-wide field force specializing exclusively on stapling. Send samples or a brief description of your fastening problem for suggestions.

Bostitch Staples in most sizes are now available.

Bostitch (Boston Wire Stitcher Company) 61 Duane Street, East Greenwich, R. I. (Bostitch-Canada, Ltd., Montreal).

Below: Bostitch B-8 Desk Fastener. Smallest of nearly 800 models. Weighs but 6 oz. loaded, yet does practically everything done by fasteners 3 times its weight and cost.

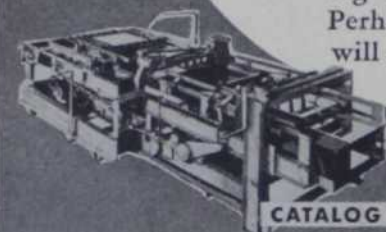
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AND FASTER
fastens it better, with wire

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ALL TYPES OF MACHINES FOR APPLYING STAPLES



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If your product is processed from sheet materials of any kind, investigate! Alfa equipment may provide the means of improving your product while reducing its cost. Write, telling us what you cut, how and to what end. Perhaps we can suggest simplifications that will speed the work, cut the cost.



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known as fascism. He moved on to become the head of the Social Sciences department of the State Teachers' Association of California. By this time he was interested in Indians but not to the crusading pitch.

Then Albert B. Fall came into his picture.

This was probably a providential coincidence. Fall was the whetstone on which Collier's knife was sharpened. This would probably have been the case if they had differed about infant damnation or even tried to agree on how to prune apple trees. Fall belonged to an old school which held that good Indians are always dead and that their lands should be in better hands. He had maneuvered the transfer of 21 pueblos for which the Indians had gotten no compensation and proposed to invalidate other land titles. The Indian religions had been placed under the jurisdictions of the United States courts. Indian schools were being conducted at least in part on a program of extirpating all traces of the Indian in the Indian, and the stunned graduates came back to the reservation unfit to stay there or to make a living anywhere else.

"I plunged in," said Collier. "I was out to beat Fall. I organized the Indians themselves—and I licked Fall."

Critic of national spending

NO trace of Christian humility in that statement. A slight but noticeable accent of war whoop. Then he became executive secretary of the American Indian Defense Association and continued to strike the war post. His policy was to conserve instead of to dissipate the Indian resources. He was a violent and voluble critic of government policies, past and present, including—oh, vigorously including—the Government's wild and wasteful spending. When Mr. Roosevelt was inaugurated Mr. Collier was, metaphorically speaking, on his doorstep. At the President's request he looked for a good man to be chief of Indian affairs. He looked for the man for a full month and then, seeing that the Indian was going from bad to worse, reluctantly took on the job himself.

It is only a fact, standing all alone, that the Indians he had organized urged his appointment. And that he is very close to Secretary Ickes of the Interior Department. They have gotten along together nicely. The affairs of the Indians and the Indians themselves have been bettered. The birth rate is larger, although only a mathematician could figure out just how the birth rate can be established as between pure bloods, Indians of $\frac{1}{256}$ th blood, whites, and estimated Indians of no one knows what numbers or locations. Books have been and are being printed on beautiful calendared paper at the Government's expense on the improvement of the Indians. But the mystery persists.

When, if ever, will the Indian be turned loose? And the spending stopped?



"This is what a Fox-hole isn't"

He's heading home in Pullman comfort—and it's largely thanks to *you*. Thanks to your observance of these 5 simple wartime travel rules:



1. DON'T RESERVE space until sure of going.



2. CANCEL PROMPTLY if your plans change.



3. TAKE SINGLE SPACE when traveling alone.



4. TRAVEL LIGHT—check extra luggage.



5. DON'T TRAVEL unless it's essential.

Why do you help boys like the one above when you observe these wartime travel rules?

Because Pullman travel is the heaviest in history, with half the Pullman sleeping cars still as-

signed to moving troops. And any *wasted* Pullman bed may mean a *disappointed* traveler.

Perhaps some boy who knows what a fox-hole *is*!

★ KEEP ON BUYING WAR BONDS—KEEP ON KEEPING THEM! ★

PULLMAN

For more than 80 years, the greatest name in passenger transportation

How Broke Is Great Britain?

(Continued from page 22)

Other holdings, as in India, Canada and the United States, probably have increased in value. The investment in Latin America has been given as \$4,000,000,000, nearly half in railroads. Britain also owns outright or has stock holdings in railroads in Canada, the United States and elsewhere.

Of the total mileage south of Mexico, 42 per cent is British owned. Guatemala, Honduras, Nicaragua, Panama, Haiti and Ecuador are the only countries without a British railroad. Mileage, however, is not a criterion of a railroad's value. In Mexico, the "Mexicano" between Mexico City and Vera Cruz, British owned, is one of the heaviest travelled in the country though only four per cent of the total mileage. Other roads show unpaid dividends, as the "United" of Havana, but, after each listing of a British owned road in a recent survey by our Department of Commerce is the significant note: "Purchases made by London office." Even a railroad which shows no profit may be a big money maker for British industry, finance, shipping and corporation officers and employees.

Many foreign holdings left

OF the \$16,000,000,000 in overseas investments, Sir John Anderson, Chancellor of the Exchequer, says \$4,000,000,000 have been sold. Lord Kindersley, banker, says the income has dropped from \$800,000,000 to \$500,000,000 a year. Axis-occupied countries contributed \$100,000,000. Presumably most of the three-fourths still in British hands will be returned to private owners. Some assert that the cream has been skimmed but other reputable economists contend that the securities sold were largely those bringing low returns and that the increased market value of the remainder is greater than that of the total before liquidation. They figure that, if trade is restored as hoped for, the income will not be appreciably reduced. It is certain, however, that the United Kingdom has not been stripped of overseas investments as so many believe.

Liquidation of British investments in the United States gives a clearer picture. When British war buying started, gold reserves were used until early in 1940. In the next few months, the dollar balances were added. As these ran low, liquidation of investments started. At that time, our government survey showed \$2,743,000,000 in British investments in the United States, of which \$833,000,000 were direct investments. The remainder was in stocks, bonds and assorted funds.

Securities were offered on the

New York Stock Exchange in small lots to avoid breaking the market. The American Viscose Corporation, a United States subsidiary entirely owned by Courtaulds, Ltd., was a test for liquidating the direct investments. Though it was a profitable \$100,000,000 going concern, it brought only \$54,350,000 at a distress sale. When the Brown & Williamson Tobacco Co., subsidiary of the British-American Tobacco Company, Ltd., was put on the block, our Government made a \$25,000,000 loan and the British retained control through the common stock.

In the interim until lend-lease in March, 1941, obviated further direct purchasing, the Reconstruction Finance Corporation advanced money for British purchases. RFC was authorized to lend \$425,000,000—only \$390,000,000 was called for—at three per cent for 15 years with a possible extension of five years. Deposited as security for this loan are: British owned listed securities of 75 American companies (\$205,000,000), unlisted securities of 47 companies (\$115,000,000), the capital stock of 41 British owned American insurance companies (\$180,000,000) and the pledged earnings of the American branches of 41 British insurance companies (reserves \$200,000,000).

In the three years, the British Ministry of Supply mission in New York, with RFC approval, sold \$13,474,000 of the securities, the only liquidation out of the \$700,000,000 holdings pledged for the loan.

The rest of the securities for these loans, of course, continue British owned. In three years, ending June 30, 1944, they earned \$120,457,000. From the total income from sale and interest, the RFC deducted \$28,000,000 for interest and set aside \$11,000,000 toward future interest and sinking fund. The remaining \$94,000,000 was applied to the principal, reducing the loan to less than \$296,000,000.

Canada, which wants to retain British investments for postwar purposes, has adopted a modified form of lend-lease.

When liquidation of these investments approached \$750,000,000, Canada voted \$1,000,000,000 mutual aid as a gift and followed that with interest-free loans which promise to be even larger.

Through the centuries, shipping has been the next big producer of British overseas income. Profits in 1939 were \$525,000,000. The usual off-hand estimate is that they will be less than \$325,000,000 after the war. That figure is based on tonnage. In the 25 years between the wars, world tonnage increased 51 per cent, that of the United States more than 4½ times, that of Japan more than three times, while that of the United Kingdom decreased 5.3 per cent.

In 1939, the empire had 21,000,000 tons of merchant shipping, one-seventh flying flags of the Dominions. According to the British White Paper, 11,643,000 tons were lost up to this year by enemy action or marine risks. In the same five years, the White Paper reports, 4,717,000 tons were built in the United Kingdom. The net loss on these figures is only one-third. Nor do the figures include what has been built for Britain in Canada, Australia and the United States.

Ocean shipping not ruined

IT is true that increased tonnage under the American flag dwarfs that of the United Kingdom. The shipping business will continue highly competitive and none is so optimistic as to expect that future world agreements will prorate cargoes on the basis of available national tonnage. Shipping profits depend not only on a vessel's tonnage and knots but on utilization of cargo space, economy of operation, quick turn-around and other factors in which the seafaring British have generations of experience. England's shipping income therefore will not be reduced in the same proportion as its possible loss in tonnage.

According to official figures, the United Kingdom's exports went down from \$1,898,000,000 in 1938 to \$935,000,000 in 1943, whereas America's exports went up from \$3,094,000,000 in 1938 to \$12,718,000,000 in 1943. But there is a catch in these official figures because 80 per cent of America's "exports" in 1943—more in 1944—were lend-lease shippings. With lend-lease deducted, America's commercial exports for 1943 were only \$2,609,000,000 which represents a decrease from 1938.

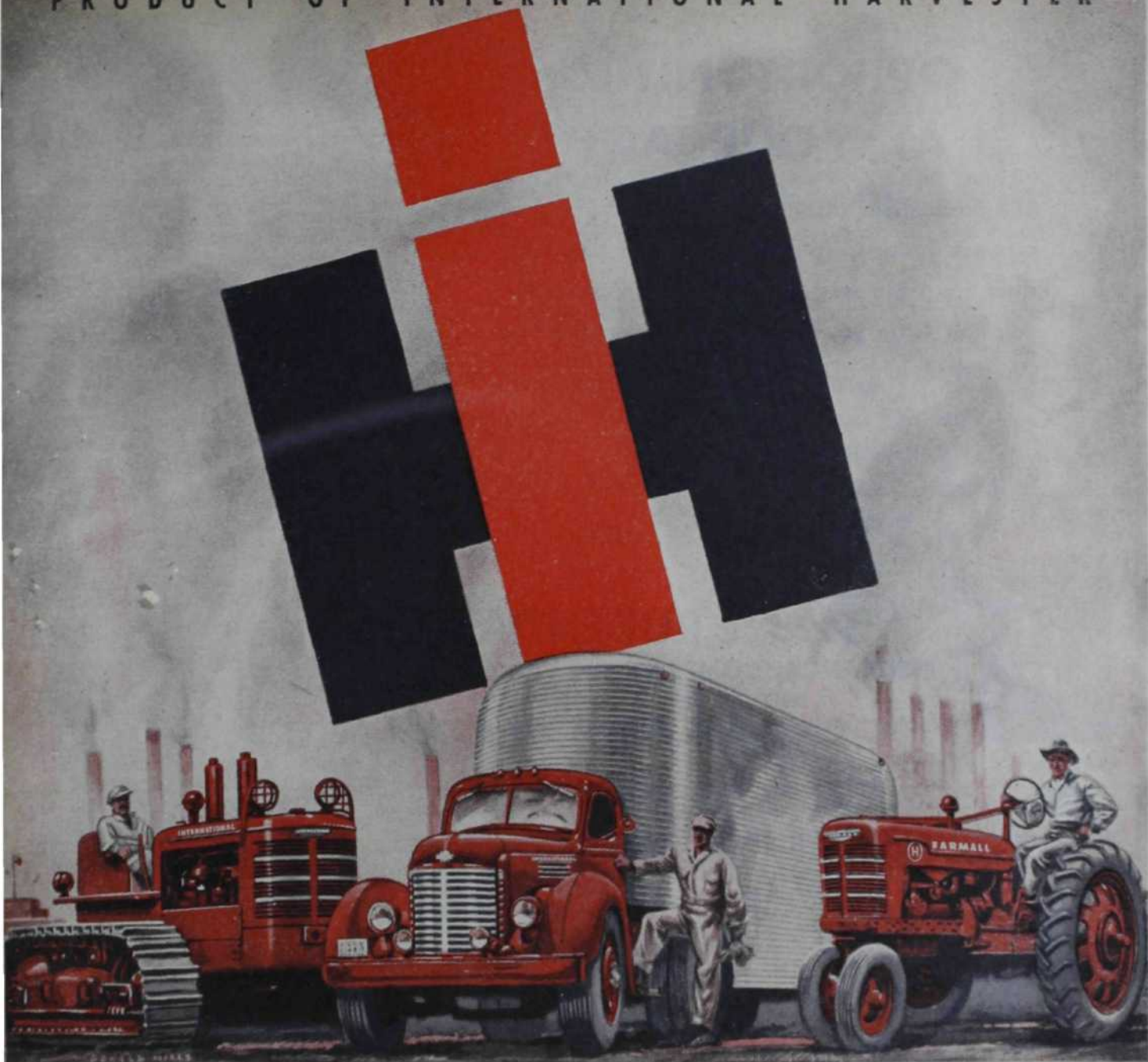
Any forecast of future commerce based on wartime figures with all the restrictions in production and shipping is therefore ridiculous.

Apprehensive of future American encroachment in the export field, one British industry reports a reassuring canvass of commercial representatives of foreign governments in London. A couple of the published replies, while possibly tuned to please the callers, are illuminating. Trade will return to an unsentimental competitive business basis.



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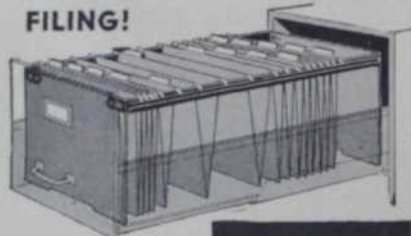
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"We definitely prefer British goods when local production is not sufficient," the Commerce Officer of Australia is quoted as saying. "Neither the United States nor Australia will have any claim on the other after the return of peace. Only the operation of American lend-lease prevents Australia from buying heavily from England at present."

"Brazil not only favors buying British goods but once imported everything from Great Britain," that country's Commercial Counsellor said. "This has changed somewhat as Americans have studied the Brazilian market, printed catalogs in Portuguese, allowed six months' credit and given better service than British exporters."

The representative of Argentina explained that most commercial houses in his country are pro-British and eager to buy British goods but that British export methods, compared to those of the United States, leave much to be desired.

With large debts and liquid foreign assets close to exhaustion but with substantial productive overseas investments remaining and vastly increased productive capacity at home, the United Kingdom is confident of its future as a going concern.

"Our tax load for reconstruction will be greater," says Lord Woolton, minister of reconstruction. "The budget will not balance each year but will balance over a long term. We need not dismay if exports do not immediately balance imports. Our experience and our continued progress in technical efficiency and production will soon change the picture."

Income is higher

FIGURES justify his confidence. The net national income, exclusive of pension, unemployment, relief and health insurance payments and interest on the national debt, increased from \$18,554,000,000 in 1938, to \$32,933,000,000 in 1943. Annual private income, including the above transfer items but deducting \$2,212,000,000 direct taxes in 1938, and \$7,677,000,000 in 1943, increased from \$18,091,000,000 to \$27,392,000,000. Private savings, after living or operating expenses, steadily increased from \$1,414,000,000 in 1938, to \$7,048,000,000 in 1943.

This result has been accomplished chiefly by increased production through reduced unemployment and higher efficiency, doubling the food production at home, curtailing investments and reducing consumer consumption by one-fifth. The country's machine tool production has increased 70 per cent and—in addition to its established position in cutlery, machinery, textiles, glass, chinaware and whiskies—war experience has brought efficiency in other high grade export lines.

The postwar home demand for clothing and other consumer goods will be great but war controls will not be abolished or relaxed to the extent of threatening the present regulated national economy. Britain at the same time foresees increased expenses for debt



"I've got my second wind"

Sure, I'm tired of war.

Sure, I thought we'd have the Germans licked by now.

Sure, I've been thinking ahead about my job in peace.

Sure, I'd like to buy a new car with new tires—and a new kitchen for our home.

Sure, I could use a good, long rest.

But the General has asked for more and then still more ammunition.

☆ ☆ ☆

Wars are won by men who march that one extra mile—and shoot that one extra bullet.

Wars are won by men who stick it out.

A lot of Americans before us have stuck it out—the men at Valley Forge—Lincoln himself—the lost battalion in the Argonne Forest.

A lot of Americans are sticking it out today—the men closing in on Berlin—and in the heat of the jungle in the Pacific.

☆ ☆ ☆

I'm sticking it out on my war job.

I've got my second wind.

Until this war is settled the way we want it settled, I know America still needs me.

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charges, war pensions, military, education, health and social insurance—the Beveridge plan under another label.

But Nicolas Kaldor of the London School of Economics calls fears that the proposed social burdens will be heavy "nonsense."

British income higher

HE estimates that national income, though lower than now, will be almost half again as much as in 1938.

"Contrary to a widely held opinion, the financial burden which the Beveridge plan imposes on the various classes of the community (even if its benefits are not considered), is extremely small and cannot affect the postwar levels of taxation or disposable income to any significant extent."

How the overseas markets which Britain must have for its increased production will finance their purchases is the real problem and this brings the United States into the plans.

The demand will be there but most countries will need credit or other help until their own economies are restored.

The most popular suggestion in England is that the United States become the world's creditor nation, also lower its tariffs for freer entry of British goods.

Specifically, the suggestion as explained in *The New Statesman and Nation* of London, is that Britain "continue to borrow from the United States—lend-lease supplies under another name—to cover the deficits in its current international accounts and to obtain resources for investment in less developed parts of the world."

Ready for competition

ON THE theory that high wages in the United States increase production costs and that its own domestic economy can be controlled, Britain is ready to meet its only worth-while competitor in world markets after Germany and Japan have been eliminated.

It is satisfied that its seasoned judgment is better than that of the United States "with its still immature attitude toward world affairs,"—a valuation of American foreign policy by *The Round Table*, a British empire political quarterly.

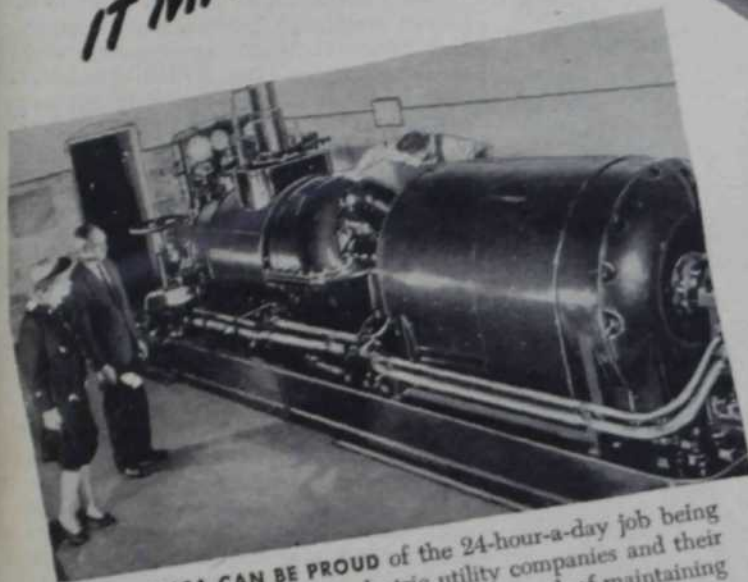
"We want to be in friendly collaboration with the United States," the Chancellor of Exchequer explained to a correspondent, "but do not want to be in a position in which, if unhappily some disaster befell the United States, we should similarly have to go down and suffer with them. We do not want to be tied in that way."

The United States wants to bring prosperity to all nations and to all people, but the United States is not the eternal almoner of the world. Bretton Woods plans are for the participation of many nations instead of a dual combination.

Those plans as summarized by Harry

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D. White, Assistant to Secretary of the Treasury Morgenthau, "are to eliminate competitive depreciated currencies and discriminatory bilateral agreements, to reduce the likelihood of economic warfare which leads to political wars, to put nations on their feet economically and to increase trade and employment, both for us and for all other nations."

England will have trade plans

BRITAIN'S policy still awaits adoption and Britain will decide for its best interests.

The Federation of British Industries favors continual government controls and bilateral trade agreements with other countries. The British Chamber of Commerce, London Chamber of Commerce and the National Union of Manufacturers endorse the imperial preference policy.

Import and export controls, bilateral or multilateral agreements, bulk government purchases, blocked balances and clearing restrictions, another sterling bloc area, government supercartels and even a world divided into four marketing spheres are also in the hopper from which Britain's final plan will emerge.

The United States has faced most of them in the past without serious handicap to its own trade.

Its future policies can wait until Britain's plan emerges. In the meantime, the United States may well raise an eyebrow at any suggestion that the great trader nation of the world is either impoverished or discouraged.



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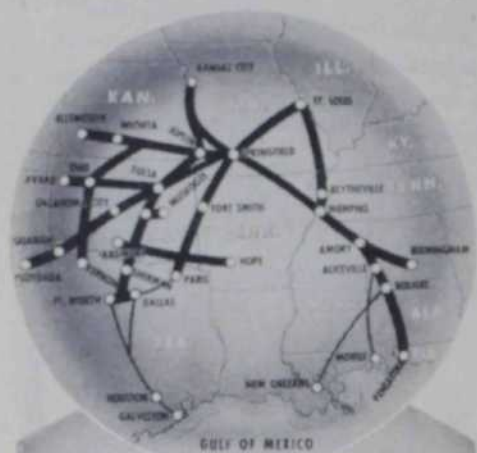
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Border to Border and Coast to Coast

Can We Tame Business Cycles?

(Continued from page 24)

pig iron production, wholesale prices, building activity—and other important factors for which statistics are available—often have been used to illustrate the point that plotted curves representing combinations of some of our activities assume certain rhythmic patterns. Individual charts also tend to show that each of our economic activities has a rhythmic fluctuation of its own. As compared with general tendencies, the cycle for the individual factor may be practically the same, similar, or quite different.

Various specialists in cycle analysis have indicated that, of the more than 500 different kinds of economic series studied, at least half show a tendency to fluctuate from high to low, at average intervals of 40 or 41 months from one peak to another and from one low point to another. Evidence has been presented to indicate that a wave of something around this length is present in iron and steel production, for example.

Ups and downs in prices

FOR wholesale prices since 1832 there has been a succession of fluctuations with average intervals of nine years from peak to peak and low to low; and for building activity, a rhythmic fluctuation—averaging 18½ years between consecutive peaks, and from one low to the next—has prevailed for 150 years.

Workers in this field also point out that an average interval could admit of considerable variation in length. The evidence that cyclical fluctuations exist is generally accepted but the impression of regularity may be exaggerated. The interest in rhythmic fluctuation in economic activities is international in scope. Prewar analysts of all economically advanced nations have offered

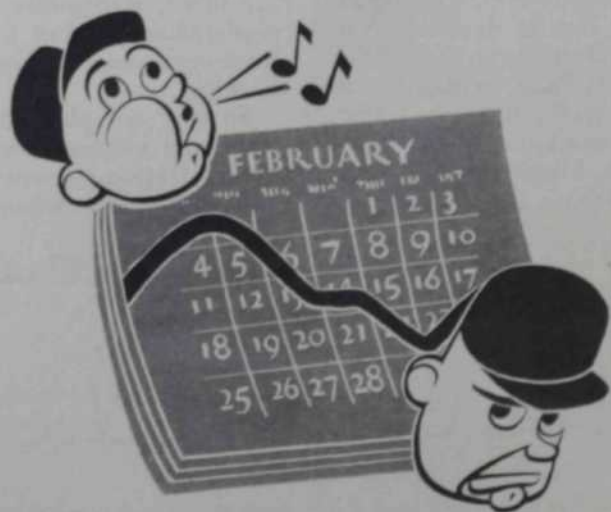
evidences of similar fluctuations in metal production and in other activities of their respective countries.

One of the most intriguing angles of cycle analysis is the evidence of recurrent emotional fluctuations of industrial workers, as found in a study made by the University of Pennsylvania with the cooperation of the Pennsylvania Railroad.

The male workers, who placed themselves under observation, all showed a tendency to fluctuate in a rhythmic sort of way from periods of high optimism to periods of depression. The length of the intervals from one depression period to another varied for different individuals, but for each individual the same interval recurred over and over with a great deal of regularity.

This tendency is not confined, of course, to the participants in this study or to industrial workers. The tendency to fluctuate emotionally with some degree of rhythm is accepted as a general characteristic of human beings. In summing up his conclusions, Dr. Rexford B. Hersey suggests that—until the basic cause of periodic change can be discovered—it may be wise to accept the fact of these changes, in mood and ability, as a fundamental law of our nature and try to adjust our lives to their demands. In other words, the advice seems to be—if we have blue Mondays, get ready for them.

So far, we have said nothing about business cycles, as such. However, we have them in the United States and they also occur in all other countries with a modern type of organization. That is, there are cyclical fluctuations from good times to bad times. For some reason, the prosperity-depression swings in the United States are commonly referred to as business cycles while in some other countries the same kind of recurrences



The worker's spirits tended to fluctuate
from optimism to periods of depression



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are more likely to be called "waves in economic life."

Statistics of industrial production, published by the League of Nations after the last war, indicate that, in 1929, all nations were riding close to the crest of one of these rhythmic waves, and that the United States, France, Belgium, Sweden, and Czechoslovakia reached the bottom in July, 1932, while the United Kingdom and Germany dropped to their respective lows in the third quarter of the same year.

That the recovery movement in the various countries developed irregularly is now a well known story. The important point, here, is the fact of the world's reckless upsurge after the last war and the hard fall to the bottom.

Business has its cycles

WORLD experiences since about 1789 include three long waves in economic life, averaging about 50 years in duration, a series of cyclical movements of from seven to 11 years, and a number of shorter waves lasting about three and one-half years, according to Nikolai Kondratieff, of Moscow.

Counting business cycles as intervals between recessions, Wesley C. Mitchell, National Bureau of Economic Research, finds that, in the United States, we have had 32 cycles in 127 years. Those occurring since his count bring the total to about 36. Opinions differ, however, as to what constitutes a recession of sufficient importance to record. Over and over, we have experienced the recurrence of the four phases that mark the business cycle—prosperity, recession, depression and recovery. These business cycles differ as to duration of time required for completing the cycle and as to relative duration of their component parts.

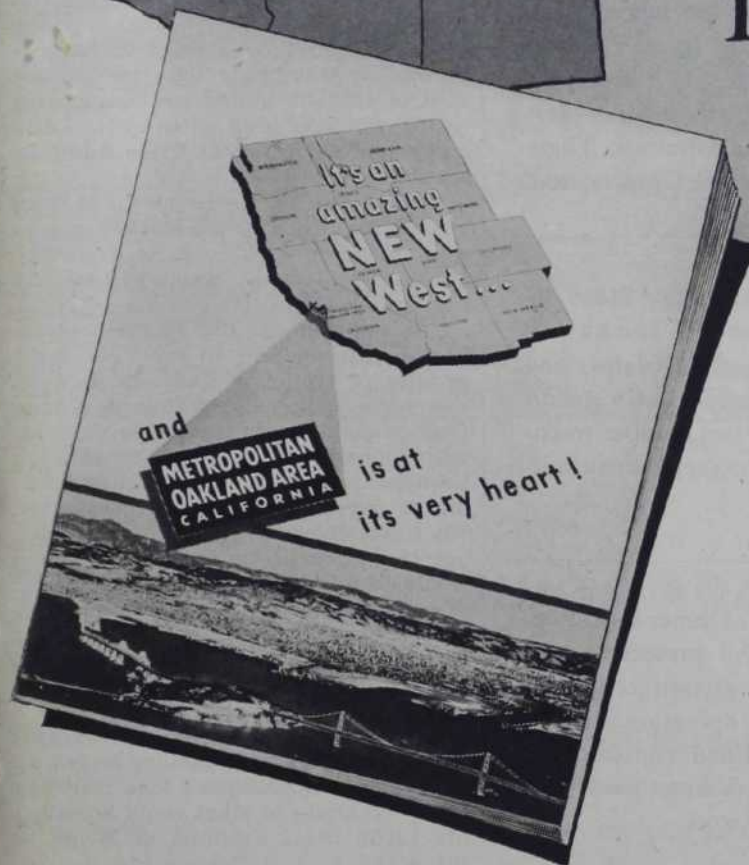
Prosperity, maladjustments growing out of a boom, excessive accumulation of inventories in advance of rising prices, weakening of credit facilities, lag in consumer buying as a result of high business costs and high prices, inability of industry to invest in capital goods, sudden price drops—depression, brief pause—and the same thing all over again, these are some of the details. Wars and other disturbances effect the length of the intervals between peaks but do not affect the persistent repetition of the same routine.

All of which raises the question: If cycles are a natural part of things—if peaks and valleys come along in business, not because of the business method, but regardless of it—then why not learn to adjust ourselves to cycles, instead of trying to eliminate them?

Why should we attempt to seek a formula by which we might forever rise in economic wealth and never come down again, when rise and fall is the rhythm of life, always has been and always will be? Perhaps a study of cycles will show us better how to live with them.

That may be a subject for analysts, consumers, business, labor, and others to get together and confer about.

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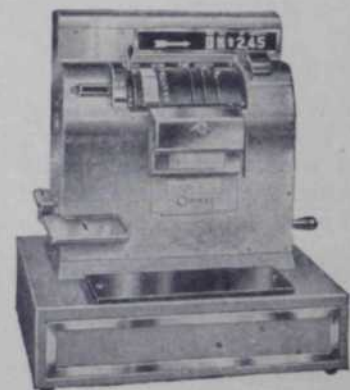
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OPA, 301 A.D.

IT TOOK more than price control, Diocletian found, to keep the cost of living down

MORE than 16 centuries ago the Roman Emperor Diocletian established the first recorded price-control in history. It was so startlingly like our present control that its administrative agency might well have been called by the Latin equivalent for Office of Price Administration.

The modern OPA was set up to ward off inflation. Diocletian's "OPA" was an attempt to save his people from the effects of an inflation which had already run wild.

"All men know," the Emperor wrote in the introduction to his law, "that articles of traffic and objects of daily use have attained exorbitant prices, four or eight times their true value or even more than that; so that, through the avarice of monopolists, the provisioning of our armies becomes impossible. We have, therefore, determined to fix, not the price of those articles, which would be unjust, but the amount which, in each case, they will not be allowed to exceed."

Ceiling for prices and labor

DIOCLETIAN was setting price ceilings. He also tried to stabilize wages, as our War Labor Board has done. Here are a few examples of what could be called the Little Steel Formula of Rome in 301 A.D.:

Field laborer, 30¢ a day; mason or carpenter, 60¢ a day; house painter, 89¢; teacher (per month per pupil) 60¢ to \$2.40; barber, per customer, 2½¢; lawyer (for obtaining a judgment) \$11.92.

And here are a few ceiling prices fixed by Diocletian's edict: Oysters, \$1.20 a hundred; wine, 20¢ a quart; olive oil, 30¢ a quart; pork or beef, 20¢ a pound; lard, 26¢ a pound; pair of chickens, 72¢; eggs, 15¢ a dozen; rabbit, \$2.48; peasant's shoes, \$1.43; horse's saddle, \$4.16; and woman's boxwood comb, \$17!

Most of those prices look low by today's standards. But by comparison to the wage-scale of Diocletian's time, they



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were dizzily high. To get an idea of the cost of living for the average worker, even under Diocletian's schedule which must have been lower than actual prevailing prices, it must be kept in mind that the average worker of that time earned less than a tenth of an American worker's wages today.

Is it any wonder the historian, Ferrero, described the conditions which Diocletian was trying to remedy, in these words:

"Inflation caused a frenzied increase and a mad irregularity of prices which brought the unfortunate people to a condition of hopelessness, as prices rose not only from year to year, but from hour to hour."

Diocletian's attempt to relieve his people from the evils of inflation by price control was a failure. It was a failure because, at the same time he was setting price ceilings, his treasury was coining enormous sums of debased currency, which nobody would accept at its face value. He was trying to halt inflation with one hand while he accelerated it with the other.

Eventually Diocletian saw the economic light and dealt with the cause of runaway prices, instead of the effect. He reformed the currency, substituted sound money for bad. Prices promptly descended to normal, and the Roman citizen no longer had to use a pound of shekels to buy a pound of flour.

But history fails to record whether that woman's boxwood comb ever dropped below \$17 again.

—BERTON BRALEY

Food Laboratory Goes Afield

SO THAT G-I Joe can continue to be the world's best-fed fighting man, the Chicago Quartermaster Depot is using a mobile food laboratory, entirely self-contained and fully equipped with the finest scientific food-testing and analyzing devices.

The trailer-mounted kitchen was developed by Cleaver-Brooks Co. of Milwaukee in cooperation with the Quartermaster Depot. It is based on a similar traveling laboratory built before the war by the National Cannery Association but has many innovations and added conveniences. It is insulated and air-conditioned for better control of atmospheric conditions which may prevail during the inspection work.

This mobile laboratory makes tests during all steps of packing operations, thus locating the exact spots at which causes for spoilage may enter the process. The laboratory will also survey processing techniques to determine whether vitamins are retained by present canning methods.

Built under the kitchen's work benches are cabinets, drawers, refrigerators, subzero icers and compartments for chemical reagents, supplies, glassware and other equipment.

Bootstrap or Balance Wheel?

(Continued from page 44)

ference last fall reported that the wants of the foreign business men at the conference for American credits reached "astronomical" proportions.

The Combined Production and Resources Board and the Combined Raw Materials Board of the WPB reported in December urgent pleas for "everything from horseshoe nails for Sicily and fish hooks for the Greeks to water-pumping machinery for the Netherlands," 60,000 railway freight cars for Europe.

There is a striking similarity, and an ominous one for American consumers, between what foreign countries need and what is particularly short here at home. European countries need locomotives, but so do we. They need quick mass housing; but Americans need better housing, too. Europe needs American farm machinery, but our farmers have been on short rations of farm machinery now for three years. Vast foreign needs for textiles are reported, but an acute shortage of textiles is also in the making in the United States.

Our scarce goods wanted

ALL the world seems to want American machine tools; a Russian order for \$120,000,000 worth on lend-lease this fall came at a particularly inopportune time as the WPB was pressing the short-handed machine tool industry for more output for American war industry. UNRRA is reported accumulating in this country for export to the liberated countries woolen goods, cotton textiles, fats, and shoes. All are scarce here.

By and large, foreigners' needs are even now concentrated in such things as machinery, transport equipment, electrical goods, automobiles, refrigerators, and so on, nearly all of which are already scarce here and due to be scarcer.

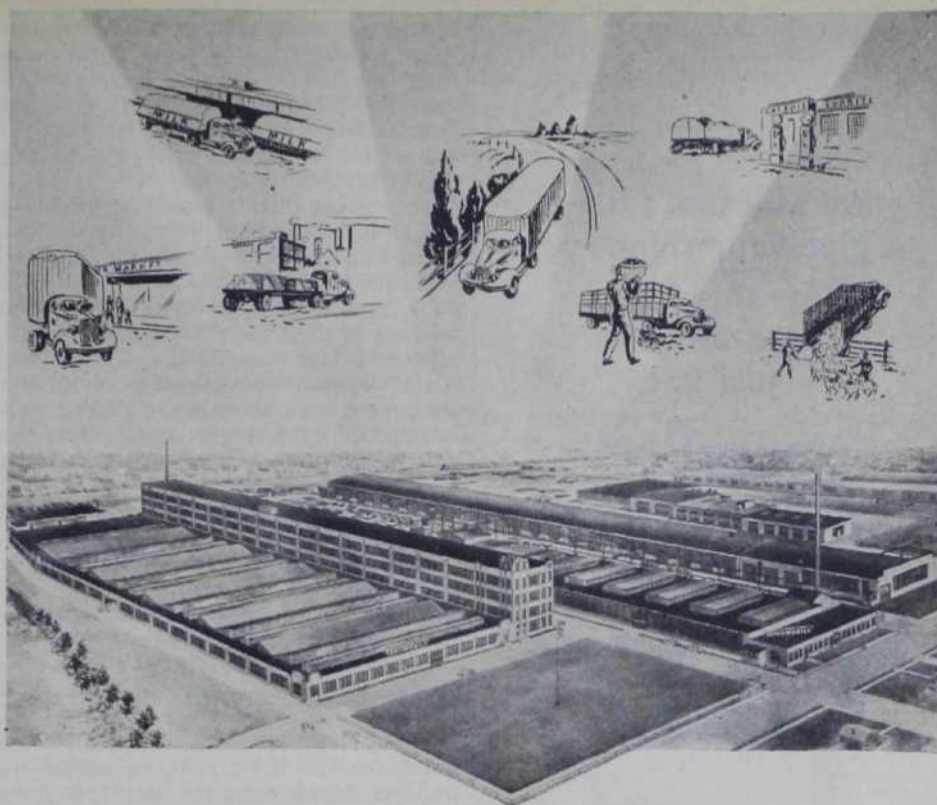
So far this is a sketchy outline of two major pressures on the capacity of our industrial economy in the immediate postwar period. One is the pressure of great need, whether there is buying power or not. The other is the pressure of great buying power, even where the need may not be serious.

There is, however, one other great category of possible buying power. It is that of global wants, where there is neither immediate need, nor immediate buying power.

There is a vast, in fact a fundamental, difference between the first two categories—needs and buying power—and the third category, of wants.

This difference is simple. Needs and buying power have recognizable limits. Wants are unlimited.

To open the door to government loans to foreign countries after the war can very well pile a virtually unlimited demand on top of a limited demand on to an industrial economy whose capacity,



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though very great, is also very limited.

Once the making of such loans starts, there is little possibility of restraining it. If one country gets a loan, its neighbor also "deserves" one and so on indefinitely because the yardsticks of either visible need or actual buying power are both missing.

This great global urge and yearning for industrialization by peoples who cannot at the moment pay for it would better be kept as an ace in the hole, held back for a later time when the physical wounds of the war have been bound up, reconstruction completed and the immediate war-deferred demands of solvent customers here and abroad largely satisfied. The time might come when the American industrial machine needs markets.

A policy of government loans abroad to stimulate full employment at home is, in the last analysis, futile—unless it is timed to offset or compensate for anticipated ups and downs in domestic demand.

Imports pay for exports

IN THE last analysis, government loans must, for the most part, be repaid by imports. If, for example, the U. S. were in the first five years after the war to lend \$20,000,000,000 abroad and run a net export balance accordingly, the time must come when it either must run a net import balance in billions of dollars or have those loans defaulted. Moreover, if exports on balance stimulate employment, imports on balance discourage it.

New Deal economists heavily underscored this fact in recent years in their criticism of the bankers who made the large foreign loans with which American export balances of the 1920's were financed to a considerable extent.

If the American people are willing to use the U. S. Treasury as an engine for providing full employment with little regard to cost, then it would be much better used for strengthening the home economy, either by domestic spending and lending, or preferably, by cutting taxes on corporations and individuals.

Foreign loans should be divorced from the idea of stimulating employment and from the U. S. Treasury and left entirely to hard-headed persons like bankers who would make them only where they have some hope that they will be repaid. Such loans, based on careful surveys of the possible productiveness of the particular enterprise, will face no danger of getting into political channels and thus failing to reach the long term objectives so hopefully anticipated for government lending.

If the government is to have an official policy in this matter, let it support throughout the next couple of decades an adequate program of protection for American capital overseas through the negotiation of treaties and through a friendly attitude toward such investments among our departments in Washington and our foreign service representatives overseas.



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Making Self-Criticism Pay

(Continued from page 48)

these towns had nowhere to go, no means of wholesome recreation. Instead of the hysterical cry, "Let's close the beer taverns," the committee showed that what was needed were more playgrounds, not blue-laws. Even the very young children had no provision for their play time. So, in many instances, what starts out to be an investigation of beer-selling rascals turns out to be a campaign for civic betterment.

Alert to all attacks, the beer industry had to meet the latest one of blame for the increase of absenteeism in war plants. State Foundation directors set their noses to sniffing the causes. One particularly good sniffer found a single instance in the Navajo Ordnance Depot.

Though beer was not involved here, the illegal bootlegging of liquor to Indians was a definite factor. As a cautionary measure, the director called a retailers meeting and asked military officers at the Depot to speak to them. When light was thrown on the real cause, liquor traffic began to dwindle and, shortly afterward, shipments of munitions were being made on schedule.

Beer found not guilty

THE investigations unearthed many causes for absenteeism. Workers were stuck away in unlikely spots, worked under adverse conditions, had too much ready money without something legitimate to spend it on.

Foremen and managers interviewed were certain that beer had little to do with it. Confirming them are the various surveys on absenteeism, all of which cited many causes but excluded the use of alcoholic beverages.

The Foundation's work in policing its own industry and in educating the public as to the causes of crimes, misdeeds and conditions carelessly attributed to beer is gaining recognition.

Judges, clergymen, army officers, public-spirited citizens, beer retailers have sent volumes of testimonials to the efficacy of self-regulation in the brewing industry. Politicians and men in government are following suit. Former Governor Jones of Louisiana concluded that, when the Foundation issued a shut-off order on beer, the outlet ought not to have a permit.

"As long as Sam Jones is governor," he declared, "they will get no permits."

Josephus Daniels' North Carolina News and Observer, after giving the Brewing Industry Foundation an accolade for its work, rises to the Ciceronian pitch of a call to public duty:

"Politicians might learn from the enlightened brewers that a little cleaner politics like a little cleaner beer business may be a basis for a longer life in office as well as in the sale of beer."

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Business Men in the Wards

By JEAN MUIR

THE wounded are given a lift and a practical view of business by leaders who talk things over with them

OLD HOPES and plans of the soldier with his leg in a cast at an army hospital had grown vague. They were buried under memories of the Aleutians and the deadening lethargy of months in a ward. It was easy just to lie still and count the nails in the boards.

Today he is reading everything he can find on Diesel engineering. He and the other men in his ward are discussing the postwar world, and plans for civilian life fill the long hospital hours.

The soldiers' awakened interest in the future is the result of the Army's new program in reconditioning, part of which is a job taken on by groups of business men throughout the country. Stockmen, plumbers, shopkeepers, bankers, fruit growers, shipping men, lumbermen and engineers—men from big industries and men from little businesses. Twice a week groups of them have been trekking out to army hospitals to talk in wards and recreation halls. The War Department considers the job they have done an important part of its reconditioning program—a program devoted to the mental, spiritual and social welfare of the men during their hospital stay, as well as to their medical and surgical care and physical training.

Painting American business

THE business men haven't been offering future employment and they haven't given instruction or training. The thing they have been doing is to paint a picture of American business. They've started the men thinking along civilian lines again and given them back their peacetime dreams.

The way the business men have tackled their part of the program at Barnes General hospital in Vancouver, Wash., is typical of the job being done in other sections. After a conversation with representatives of Col. Charles K. Berle, commanding officer, H. E. Waterbury, district manager of the Department of Commerce, talked the project over with his business friends. A series of lectures on subjects ranging from



Norman Purser of the Aluminum Company of America stops by to discuss opportunities in industry with William C. Morin

foreign trade to hydroelectric power was lined up.

Interest in the talks was difficult to judge at first. Some of the men hobbled into the recreation hall on crutches and some came in wheel chairs. They listened, rather wooden-faced, said nothing and filed out again.

Soldiers more interested

BUT a telephone conversation with Maj. Daniel H. Bessesen, reconditioning officer, removed any doubts. There was no question in his mind, he said, as to how the talks were received. He had been amazed at the discussion they had started in the wards. The major had a good deal to say:

"Most of these men are being reconditioned to fight again—we want them to know they have something to fight for. When a business man takes the trouble to come out here and talk about commercial problems, the men feel they have a part in civilian life. They know we're sending them back, but it gives them a chance to look beyond."

Lectures were held at Barnes every week after that, accompanied by technical movies illustrating the subject. Men in different lines of business in

Vancouver and in Portland, Ore., volunteered to spend an afternoon at the hospital.

Audiences grew and so did the interest. But, though the lectures filled a need, left an impression and started the men talking among themselves, the business men felt they were inadequate. The audiences were made up of soldiers with widely varying interests, education and mentality. Programs had to be of general interest and include entertainment features.

Two months later, a series of small group conferences was started in addition to the lectures. Their purpose was to give the wounded men a chance to discuss their own plans and interests with someone who had a firsthand knowledge of the subject.

A list was compiled of 319 service men in the hospital who had applied for special conferences. Their interests ranged from running a grocery store to commercial salmon fishing in Alaska. Business and professional men were found who were interested in working with the wounded, and that same week the first evening business expedition set out for hospital wards. Conferences are now held once a week.

The business men go to the hospital



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in groups of five or six. A visitor pulls up a chair beside a patient interested in his particular line of work. Walking patients interested in the same subject line the nearby beds. Then the visitor starts in. He tells them how they can get started in the business; the kind of education necessary and where to get it; he describes the pitfalls and advantages. He answers a hundred questions and is usually still going strong at the end of an hour and a half when the conferences break up.

The same evening a fruit grower may be talking about Hood River orchards, while another man describes the headaches and profits of operating a fishing camp on the McKenzie River, a newspaper writer tells about his job, and a shipping man discusses the outlook for foreign trade. One may have a group of a dozen wounded men around him, others five or six. A hardware man made the expedition to talk to the one lone soldier who was interested in the retail hardware business—and felt the evening was well spent.

The biggest thing they've done is to show the soldiers that business men are thinking about their futures, and are enough interested to put in an evening discussing their problems with them. But the advantage has not all been on one side.

At Barnes and other hospitals where the program is under way, business men feel that, while they are diverting the minds of wounded men from their present troubles and into lines of civilian thinking again, they themselves are gaining an insight into the thoughts and aspirations of service men. It's an experience, they believe, that will make them better able to handle the problem they will face when hundreds of thousands are demobilized.

Chamber Helps Farms

THE Chamber of Commerce of Coffeyville, Kans., has inaugurated a program for the development of agriculture in its five-county area. It is one of the few cities outside the metropolitan areas to employ a full-time agricultural commissioner.

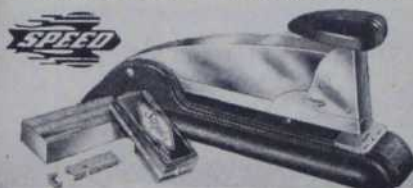
Among the early activities has been the acquisition of a terracing machine which is available to farmers for the construction of terraces. Other aid is also given in the running of terrace lines.

The Inter-State Fair is being promoted by this Chamber. More agricultural exhibitors have been obtained for the 1945 Fair than were shown in 1944.

As a long-time program, the Chamber is looking forward to the time when it can stage some type of major agricultural activity each month. The 4-H Achievement Banquet, Livestock and Crop Days, Rural School Day, Livestock Judging Schools will all help agriculture and make for a better understanding between city and farm.



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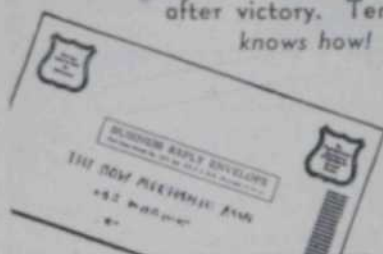
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Congress Checks Its Tool Kit

(Continued from page 26)

dealing with manpower shortages and shifts. These are only two examples of many. As new committees spring up, the Senate and House manpower is spread thinner. Hearings at times become farcical. Recently a hearing began with the chairman elsewhere and with a minority member (this much against tradition) at the helm. He, too, soon had to depart for other chores and a new Senator, not even a member of the committee of jurisdiction of the pending legislation, took over.

"I sometimes vote with a prayer on my lips and with my fingers crossed," said a Senator recently. "I simply haven't been able to learn what was in the measures before us."

Short on expert aids

REASONS why many members of Congress feel that the legislative branch is being out-boxed in bouts with the executive establishment are found in these examples, cited by members and presented as they have interpreted them:

Through the Legislative Drafting Service (Library of Congress), the House has five experts assigned to prepare bills, the Senate three, at a total cost of \$83,000 a year. The Solicitor's Office of the Department of Agriculture, which handles agrarian measures going to the Hill, has 600 employees costing \$1,600,000.

In the field of foreign and domestic commerce (vital in the affairs of the incoming Congress) the Legislative Reference Service assigns to Congress an expert, paid \$3,200 a year. The Department of Commerce's Bureau of Foreign and Domestic Commerce has 300 employees, and the Bureau of Agricultural Economics, dealing similarly in the Department of Agriculture, more than 700. The Legislative Reference Service has an expert, salary \$2,600 a year, to guide congressional committees in intricate monetary and economic problems. The Federal Reserve system, dealing along like lines, has some 100 who receive \$5,600 and upward. Other fiscal agencies (R.F.C., Home Loan Bank Board, etc.) are equipped equally.

As to social welfare, the House has a \$2,600 expert, while the Bureau of Labor Statistics spends \$2,162,000 a year and the Social Security Board, \$3,000,000.

The success of the Congress with the Joint Committee on Internal Revenue Taxation has whetted appetites for a general expansion of this plan. The joint committee, staffed by experts, functions wholly under the Congress and is accountable to no one else. Whether it has been cooperating or competing with the Treasury Department and, on occasion, the White House (there have been examples of both), the committee has spoken for Congress and it has won in showdowns repeatedly. Lack of in-

formation and means of obtaining it promptly, members contend, have caused a chronic slowing down of legislation, except in cases where major bills have been given the right of way. Opponents of reorganization challenge them to cite specific instances. They do.

Two occurred in a single recent day in the House, they say. One bill, which had passed the Senate in 1943, sought to cut the red tape which had handicapped the Government in the condemnation of land for emergency use and had caused discouraging delays. The House completed action on it Dec. 12, 1944, after the need for such condemnations had passed. Members aver that the delay was due to barriers in the path of full information on this important question of relaxing what previously had been viewed as safeguards to protect property rights.

On the same day the House voted to outlaw the controversial McNabb decision of the Supreme Court of last year, under which admission of confessions of guilt was barred from criminal trials unless the defendant had been arraigned promptly after his arrest. Police authorities reported that many serious crimes went unpunished while this measure was tied up in a congressional committee that was seeking information.

Members point to the Connally-Smith Labor Disputes Act, which was largely written on the House floor during sessions marked by more heat than light, and recomposed in its final form in Senate-House conference. The intent of Congress is still in dispute. A similar example is the George industrial re-conversion bill. In adopting it, the Senate took along with it large parts of the "liberal" Murray-Kilgore bill, which had undergone changes almost hourly in committee until it reached a state where, members say, they knew only faintly its provisions when it came to a vote.

Law-making by executive aid

IN RECENT years, what with defense preparations and war prosecution, it has become almost habitual for Congress to authorize special committees to draw upon regular and emergency agencies of the executive branch for personnel. More than 100 such specialists and routine workers, some of them in the \$8,000-a-year bracket, are now operating on the Hill.

Congress now wonders how smart this idea was. Some members assert that it has resulted in staffing congressional committees with executive branch employees who are in position virtually to take over the Congressional "work-rooms." However, it is recalled that Congress "asked for it." And it is contended that some of the higher bracket personnel thus lent have maintained a

liaison closer to other organizations than to the committees they have been serving.

Last August when the legislation to guide industrial demobilization and re-conversion was before the Senate there was a flare-up when an \$8,000-a-year attorney on loan from the WPB, as counsel for the Kilgore Military sub-committee, inadvertently entered the floor proceedings by whispering a request to the Presiding Officer. The hue and cry that followed developed that the Murray-Kilgore bill (which advocated unemployment compensation up to \$35 a week figured on a basis of time and a half for war work overtime) had been drafted largely upon the advice of others who had been on congressional committee assignment, but who, as the Presidential campaign neared, had transferred to the pay rolls of CIO's Political Action Committee. Executive branch personnel lent to the Kilgore committee alone, recent reports indicate, receive in salaries a total of \$36,400 a year.

The tenacity with which Congress has clung to its traditional seniority system in organizing its committees is held to have cost it materially in lost efficiency, delays and intramural controversies. Some of the chairmanships of major

committees that have developed through seniority are widely known since the potentialities of the chairmanships and other controls that would have developed through seniority in the event of defeat of the Roosevelt Administration became a campaign issue.

Aptitudes and seniority

OBVIOUSLY congressional advocates of reorganization do not want to abandon the seniority tradition. It might be added that they won't. However, some want to compromise it and recommendations to this effect are expected. It is suggested that a mixture of seniority and aptitudes attained outside of Congress would be helpful to efficiency. Seniority, it is pointed out, brings with it experience with the problems and demands of the departments and agencies with which committees habitually deal in legislation or appropriations. But those who have run into troubles on this phase contend that seniority and experience alone may dull viewpoint to an extent that the seniors themselves unwittingly see and know only the departmental angles.

This is why aptitude and an outside viewpoint, even when brought into Congress by rookies, is regarded as an

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Ladies Eat Smoke, Too

Not firemen, but firewomen, make up the daytime fire department of Ashville, N.Y. Some two years ago when 19 of the 42 active firemen of Ashville went into the armed services and all but two of the rest went to nearby Jamestown to work in war plants, 13 women volunteered.

Twelve of the women are mothers, five of them grandmothers. Two mother

and daughter teams are included. These fire-fighters do everything from piloting the big tank truck, unreeling hose, making couplings and fighting flames to rescue and first-aid work.

They have had practice, too, from bog and grass fires to a gasoline conflagration and the flames of a plane that crashed and exploded nearby.

FACT OR FICTION?

A 47-SECOND
QUIZ ON
CROPS AND JOBS



1 "JOB OR NO JOB?"
THOUSANDS OF PAY-CHECKS WILL
DEPEND UPON THIS FLOWER. BECAUSE
IT HOLDS THE KEY TO AMERICA'S
POSTWAR BUILDING BOOM.
FACT OR FICTION?



2 SUNFLOWER COOKERY
MAY CREATE A NEW INDUSTRY, WITH
JOBS FOR MANY WORKERS
FACT OR FICTION?



**3 FARMERS ARE GROWING
SHIPPING CARTONS, AS A
PROFITABLE AND PATRIOTIC
SIDELINE. FACT OR FICTION?**

4 VITAMIN SHOTS FOR TREES
WILL BE NEEDED TO AVERT A TIMBER
SHORTAGE, AND THUS PROTECT
MILLIONS OF JOBS. **FACT OR FICTION?**



CHECK YOUR ANSWERS HERE:

1. Fact. Postwar construction will be geared to the flax crop on Northwest farms . . . for linseed oil, made from flax, is the world's No. 1 source of paint. Northern Pacific Railway, a major carrier of the nation's crop, is encouraging farmers to "plant more jobs" —in added flax acreage—in 1945.

2. Fact. A new food-oil, similar to olive oil, and a fine flour resembling buckwheat are now being made experimentally from sunflowers grown on North Dakota farms served by Northern Pacific.

3. Fact. Strawboard, made from surplus grain straws baled and shipped by farmers, adds more than 800,000 tons yearly to U. S.

paper box output. Northern Pacific hauled many carloads of straw destined to paper mills in 1944.

4. Fiction. Under modern forest management (without benefit of vitamins), Pacific Northwest saw timber now standing is sufficient to rebuild all of America's 37,000,000 homes! Northern Pacific is an important carrier of forest products.



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asset that should be put to work by members who would rate appointment as conferees (now selected according to seniority) who would assist in making the final adjustments between the Senate and House before the bills go to the White House.

Revolving committee chairmanships have been suggested as a remedy for the all-out seniority tradition. It is proposed that, at the end of, say, a six-year tenure, the committee step in and make its choice; retain the chairman by a committee vote, or replace him by the same process. But students of Congressional behavior and tradition fear that this and other recommendations that would receive hearty indorsement from outside, will, as many legislative measures do, "die in committee." Tradition might, after all, lick reorganization.



Rubber Bands Snap Back

One of the scarcest items of office equipment—the lowly rubber band—is coming back.

For nearly three years no rubber has been allowed for the manufacture of rubber bands except for certain essential uses. Now, for the first time since Pearl Harbor, according to Clyde DeLong of the sundries division of B. F. Goodrich, all restrictions on the manufacture and sale of rubber bands, providing synthetic rubber is used, have been removed.

Now his company is in volume production, DeLong said, and while use of synthetic has meant changing certain processes, "we are making rapid strides toward producing synthetic rubber bands that will match prewar natural rubber bands in performance."

The photo shows synthetic rubber bands, no priority needed.



NORTHERN PACIFIC

Main Street of the Northwest

Capital Scenes... and What's Behind Them



11,000,000 are coming home

THREE youngsters stood in front of the statue of Lincoln in that vast grotto in Potomac Park. Their breasts were splashed with service ribbons. They spoke pure American:

"He makes sense to me," said one.

"Me, too," the second replied.

"No double talk," was the third's comment.

No dramatics. A Frenchman might have saluted the statue. A German confronting the huge wooden block of von Hindenburg would have clicked his heels.

The three read the passage from the Gettysburg address and then walked down the long flight of stairs. Read your own meaning into the incident. Mrs. Hildebrand of Madison, Wis., did not try. She was crying.

That rumble you hear—

OLD congress hands think the 79th Congress promises to be tough. The 78th was a good congress, as congresses go, but it stayed on here in Washington until, if you do not mind the metaphor and you certainly will mind, it began to get moldy. Most of the 78th returned after the election but the

members talk differently.

That is what the old congress hands say.

They think the 79th will be a better congress because some of the old gentlemen did not come back. Not that they were not all right, but there was the flavor of hate about them. They were as partisan as Mosby's Raiders. This is as true of one side as of the other. The old hands think the 79th is thinking more of the good of the country than the 78th did. Time will tell.

Seventh inning stretch

AMERICANS do two things at baseball games—and baseball may be only a fond memory when the grass begins to green—that are as purely American as spaghetti is Italian or roast beef was once English. They stretch in the seventh inning. If one team has a jug-handle they walk out. Too impatient to wait for the finish.

Now we are in the seventh inning stretch of the war.

We will play the rest of the game to

victory if we have to finish in the dark. Von Rundstedt may be credited with an assist in the final score.

He cleared things up

ASK any chief—barring the five-and-ten chiefs who speak mostly confusion—and he will say that we were coasting when von Rundstedt hit us. Joe Krug says so. He once played on an 11 that could not loosen up while it had all its teeth. Hiland Batcheller cursed mightily because bad news was



swept under the bed and we were only shown the good. Batcheller has been in the steel business all his life and no man lasts in the steel business if he dodges fact. General Marshall kept on saying that this is a tougher war than we know. The real chiefs were not frightened by the prospects ahead. They are not the frightening breed. They were angered by the sweet goo fed to Americans. A mist of unreality rose from the miasmatic ground of concealment.

We may win this war in Germany by the winter of 1945. There are reasons for thinking so. If we do it will be in part because von Rundstedt tipped our folks back home off their skis. We're back to hobnails.

How about the Pacific?

THE 79th Congress will certainly ask for more information about the war in the East. The Navy and General MacArthur have jointly and severally done marvelous things there. But it is far away and not many of us get the real significance of facts reported and not reported.

It is regarded as probable in high naval circles that, before Japan is licked, we will be compelled to send a doughboy army to the East.

Put that fact on your logistics machine and see what the total looks like. Add to our naval needs—and to the supplies which must be provided for whatever part of the British Navy is sent to the Pacific—the needs of an army of 4,000,000 or 5,000,000 G.I.s—over a 7,000 mile sea route for an estimated minimum of two years and see what you get. These are only to be rated as possibilities, of course. War is as unpredictable as a Kansas twister. But they may be certainties.

So you'll cobble your shoes

THE prospect is not alarming, according to the old congress hands. They have been—perhaps more than 20 of them—in fairly close touch with the English and French representatives here as well as with our own chiefs, and report on them as well informed and candid. But the prospect does promise a tougher two years than any civilian looked forward to when all the orchestras seemed to be playing the Eisenhower Gallop. There is at this moment so much food that recent restrictions of rationing have been rated by optimists as efforts to shape public opinion. They may be right. But if the optimists were wrong?

Do not throw away any old shoes for at least two years. You may need them.

Peace on Pennsylvania Ave.

ONE theory is that Assistant President Byrnes will be a moderating influence between Congress and the President. He is liked and trusted on Capitol Hill. The President has given him greater freedom to act than he has accorded any other presidential appointee in 12 years. Byrnes has shown a disposition to use the authority granted him.

After all, that's why he's where he is.

Byrnes was furious over the von Rundstedt disaster. The word "furious" was used by one of his intimates, so far as he has intimates, in telling the story. This country's supplies are dropping toward the bottom of the barrel. The Army—Eisenhower, Somervell, all the articulate leaders—was clamoring for more supplies. All this time 400 laden ships were swinging at their cables off the coast of France. Full to the hatches with the things needed, but no ports open where they could be unloaded.



So he asked about it

BYRNES demanded an explanation. His view is that the Army must have known no ports were open in France. Or that not enough ports were open. The Army should have known that, if there were no open ports and no available wharves, no cargo could be set ashore.

Then why?

It is intimated that this is not one of the soft and easy inquiries which in the past have been covered up by the appointment of a new committee. Byrnes may not make public what he does or plans. It is definite "policy" to hide bad news from the public. But his intimates say that, if the explanation does not explain, he will go to town. They say that he can get mighty tough when he has to be.

A world wide muddle

NONE of these things that are being said would make much sense to the old



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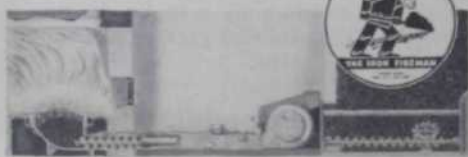
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congress hands—they have heard them every second year—except for the prospect that the 79th will think more of the good of the country than of votes. The 79th is safe in its seats for two years. If, through its mistakes or neglects, the country is injured it knows it will pay. If Byrnes or the President plan wisely and unselfishly, Congress will go along. That's what the old hands think.

They hear that Byrnes intends to put a one-man-manager in charge of the food mess, which is now being mucked up between eight or ten different men. Order, they say, will be Jimmy's first law.

Brooms in the Pentagon

IN the First War the French called them *embusques*. Hide-outs. Men who used influence to get safe jobs in the War Office. Over in the Pentagon it sometimes seems able-bodied young men could be scraped out of numerous cracks.

Each, of course, is making busy motions.

A man who had been a civilian employee of the Government in a highly responsible position was sent for by a general who had known him intimately for ten years. The general planned to make him a colonel or better. At last accounts the man was tied up in red tapes and duplications and re-references that will take him six weeks to wriggle through. The general is also fit to be tied.

Byrnes has asked General Somervell how much red tape he has on hand.

One thing won't happen

STILL quoting the optimists—

They think the President will have no real trouble with the 79th if—through Byrnes—he makes it clear that we cannot stop in the business of winning the war to live up to the well-intended promises of the Atlantic Charter.

So we will be playing power politics, just as Europe has always played it.

But maybe we will have to play it.

These things make Byrnes a far more important man in the administrative set-up than the public has heretofore realized. And another thing: he doesn't talk too much. Or too loose.



Old S. D. eyes Stettinius

SOME of the oldtimers in the State Department have their doubts about Secretary Stettinius. They say he is a good man and an able one. He has made good in government on his own. He is a handsome man, and nowhere are good looks more heartily appreciated than in the diplomatic set. He has the money necessary if he cares to travel with princes and potentates. But—

They fear he has political ambitions.

They suspect him of being the raw material of an heir apparent. He might wind up as an ambassador. An accommodating state might send him to the Senate. So far as known these fears are based on three substantial facts. He prefers the telephone to writing letters. He uses short words when he writes and fits them into short letters. Any one can understand them. He says no or yes. He has put a tickler system at work, and insists on subordinates being as fast on their mental feet as though they were employed by U. S. Steel. Instead of dodging Cordell Hull—bureaucratic practice—he seems as fond as ever of the old Tennessean and consults him almost daily—and he likes to go to bed early. He loathes cocktail parties and is bored by people who have nothing on the ball.

No wonder the oldtimers are fingering him.

A few mild prophecies

THE old congress hands who have been observing the early and somewhat fretful postures of the 79th Congress are willing to go out on a limb with a few mild prophecies. To wit:

The 79th will not be as easy a lender as the 78th proved to be. It will not encourage reform measures unless they make sense.

Flood control plans may be given the nod over navigation and power prospects.

The 79th Congress will ask to know how far we may be committed to European countries in addition to the aid given by the military and UNRRA. It is likely to react angrily if we are told what our "duty" is in too forceful terms. It will support an international organization designed to keep the world peace. But it will not initial the first blueprints put on the table. The Senate will hold on to treaty control. It is unlikely to favor any plan which looks toward universal service except for military needs. Any scheme which would federalize the instruction of American youth—except a year of good hard training for soldiering—smells to many in the 79th of Hitler Youth and Strength Through Joy. It will favor any international trade agreements which promise to benefit both sides. The 79th does not contemplate turning the republic into a fat cow.

But that's the ambition of a lot of other people.

Say "yes" or go hungry

THE 79th, incidentally, has been told that there have been hints that we should control our gifts of food to the starving for the purpose of furthering political interests.

That sounds pretty heartless to us in this country.

But it is power politics as Europe plays the game.



MY TOMORROW...

The tick of the clock in the hall . . .
The feel of clean, fresh sheets . . .
A dog's bark and a boy's clear call . . .
The touch of a hand on my cheek . . .

They're all in my dreams of tomorrow.

The wheel in my hands and the air rushing
by and the cool, crisp smell of winter weather
and the first faint breath of Spring . . .

The miles sliding by and the trees flashing
past and the signposts' flicker . . . the girl and
the boy and the dog by my side, and the
laughter and joy of being alive . . .

The sound of a motor purring . . . the song
of a motor and the feel of a car, and her quiet,
fleet speed, and the grace and the class and
the free, clean pace of her . . .

The girl I love, my boy, my dog, my car . . .

all the things I long for, all the things I
dream of . . .

These things will be mine again,
in my tomorrow.

.

When Victory comes, Nash will go on . . .
from the building of instruments of war to the
making of two great new cars designed to be
the finest, biggest, most comfortable, most
economical, most advanced automobiles ever
produced in their respective fields . . . the new
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